

Designation Run Report

# Nathan Hartle Fact

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Hartle, Nathan 08-01-2018

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Plaintiffs Affirmative Designations 01:12:22

Defense Counter Designations 00:03:51

Defense Completeness Counters 00:07:23

Plaintiff Counter Counters 00:01:36

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Total Time 01:25:12



## NH02-CT2\_Nathan Hartle Fact

Page/Line	Source	ID
15:7 - 16:12	<b>Hartle, Nathan 08-01-2018 (00:00:44)</b> 15:7 Q. Could you state your name, 15:8 please? 15:9 A. Nathan John Hartle. I go by 15:10 Nate. 15:11 Q. Mr. Hartle, my name is Troy 15:12 Rafferty. I'm going to be asking you some 15:13 questions today. 15:14 Okay? 15:15 A. Okay. 15:16 Q. Who is your current employer? 15:17 A. McKesson Corporation. 15:18 Q. Okay. What is your current 15:19 position? 15:20 A. I'm currently the vice 15:21 president of compliance -- regulatory affairs 15:22 and compliance. 15:23 Q. Vice president of regulatory 15:24 affairs and compliance. 15:25 A. Correct. 16:1 Q. Is that a new position? 16:2 A. It is a new position, new 16:3 title, as of July 1st. Prior to that, I 16:4 was -- senior director of regulatory affairs 16:5 was my title. 16:6 Q. Senior director of regulatory 16:7 affairs for the retail national accounts or 16:8 in some other capacity? 16:9 A. Correct. For the retail 16:10 national accounts. The new title, I will be 16:11 taking on the statistics and analytics team 16:12 here shortly.	NH02.1
16:24 - 17:2	<b>Hartle, Nathan 08-01-2018 (00:00:12)</b> 16:24 Q. Okay. I'm going to show you -- 16:25 MR. RAFFERTY: If we could pull 17:1 up, Corey, 1.795, which we will mark 17:2 as Exhibit 41 to the deposition.	NH02.2
17:20 - 18:25	<b>Hartle, Nathan 08-01-2018 (00:00:53)</b> 17:20 Q. All right. What we have here, 17:21 if you look, is something entitled	NH02.3

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Page/Line	Source	ID
	17:22 "McKesson's Controlled Substance Monitoring 17:23 Program, Regulatory Affairs Training." 17:24 Do you see that? 17:25 A. I do. 18:1 Q. Okay. And I will represent to 18:2 you that there's not a date on this, but we 18:3 looked at the production, and there's 18:4 something referred to as metadata that 18:5 established that this was produced 18:6 December 31, 2015. 18:7 Okay? 18:8 You were there in your role as 18:9 senior director of retail and national 18:10 accounts, correct? 18:11 A. Correct. 18:12 Q. You started there when? In 18:13 McKesson. 18:14 A. In May of 2014. 18:15 Q. May of 2014. Okay. 18:16 And you maintained that same 18:17 position in charge of retail national 18:18 accounts until July of this year when your 18:19 position changed, correct, or your title 18:20 changed? 18:21 A. Title changed, yeah. And I've 18:22 added different responsibilities, but I've 18:23 always had the chain responsibility. 18:24 Q. So you've added additional 18:25 responsibilities, yes?	
19:1 - 19:20	<b>Hartle, Nathan 08-01-2018 (00:00:40)</b>	NH02.4
	19:1 A. Correct. 19:2 Q. Okay. If you'll turn to 19:3 page .9, I want to just make sure I 19:4 understand who -- where you sit in the 19:5 hierarchy of McKesson. Okay? 19:6 And in particular, US pharma is 19:7 the division of McKesson that handles and 19:8 sells the narcotics, right? That's the 19:9 division? 19:10 A. Correct. Correct.	

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Page/Line	Source	ID
19:11 - 19:14	Q. Okay. So if you look up here, 19:12 you've got regulatory affairs, retail 19:13 national accounts, and it says, "Nate Hartle, 19:14 senior director," right?	
19:15	A. It does.	
19:16	Q. Nobody above you?	
19:17	A. Not on this slide.	
19:18 - 19:19	Q. Not on that. Not in terms of 19:19 retail national accounts?	
19:20	A. Correct.	
22:6 - 22:17	<b>Hartle, Nathan 08-01-2018 (00:00:19)</b>	NH02.5
22:6	Q. Okay. Let's take a look now at	
22:7	22:7 the US pharma regulatory affairs. And the	
22:8	22:8 reason I want to do this is I want to make	
22:9	22:9 sure I know when we're talking today and	
22:10	22:10 you're answering questions, in what capacity	
22:11	22:11 you're answering them in terms of the	
22:12	22:12 hierarchy of regulatory affairs at McKesson.	
22:13	Okay?	
22:14	A. Understood.	
22:15	Q. All right.	
22:16	MR. RAFFERTY: So if we could,	
22:17	turn to page .4, Corey.	
22:19 - 22:24	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b>	NH02.6
22:19	Q. All right. Now this is,	
22:20	22:20 according to the CSMP training module that	
22:21	22:21 we're looking at, this is supposed to be the	
22:22	22:22 US pharma regulatory affairs CSMP team.	
22:23	Do you see that?	
22:24	A. I do.	
23:16 - 23:21	<b>Hartle, Nathan 08-01-2018 (00:00:08)</b>	NH02.7
23:16	Q. Okay. And if we look at the	
23:17	23:17 hierarchy here, there's Gary -- okay, Krista	
23:18	23:18 Peck, who is the senior vice president. I	
23:19	23:19 assume above her is the president of	
23:20	23:20 McKesson?	
23:21	A. Correct.	
24:6 - 24:13	<b>Hartle, Nathan 08-01-2018 (00:00:10)</b>	NH02.8
24:6	Q. Okay. So you got Krista Peck,	
24:7	24:7 who is one step away from the president of US	

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	24:8 pharma, right? 24:9 A. Correct. 24:10 Q. And then right below her you've 24:11 got Nate Hartle sitting there as senior 24:12 director, right? 24:13 A. Correct.	
24:20 - 25:21	<b>Hartle, Nathan 08-01-2018 (00:00:50)</b>  24:20 Q. Okay. So there were two 24:21 regions, east and west, and then you, who 24:22 covered, I assume, regional national -- I 24:23 always say regional national account -- 24:24 retail national accounts for the entire 24:25 country, correct? 25:1 A. Yes, that's correct. 25:2 Q. Okay. Now, when we talk about 25:3 the retail national accounts, we're talking 25:4 about -- that you were in charge of, we're 25:5 talking about the Rite Aids, CVS, Walgreens, 25:6 Walmarts and a bunch of others that I'm not 25:7 listing, right? 25:8 A. A variety of chains. 25:9 Q. Chains. Okay. 25:10 A. Chains is the best way to talk 25:11 about it. 25:12 Q. Okay. But literally thousands 25:13 of stores in those chains, right? 25:14 A. In some of them. 25:15 Q. In some of them. 25:16 And you're over all of that? 25:17 A. Correct, those chains. 25:18 Q. From a regulatory controlled 25:19 substance monitoring program standpoint, 25:20 true? 25:21 A. True.	NH02.9
26:15 - 26:18	<b>Hartle, Nathan 08-01-2018 (00:00:06)</b>  26:15 Q. Okay. All right. The retail 26:16 national accounts, that's a pretty big part 26:17 of US pharma's business, isn't it, 26:18 Mr. Hartle?	NH02.10
26:20 - 26:25	<b>Hartle, Nathan 08-01-2018 (00:00:06)</b>	NH02.11

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Page/Line	Source	ID
26:20 - 26:25	THE WITNESS: It is a larger part of the business.	
26:22 - 26:25	QUESTIONS BY MR. RAFFERTY:	
26:23	Q. It's a much larger part of the	
26:24	business than the IMC accounts, correct?	
26:25	ISMIC, I'm sorry.	
27:2 - 27:2	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.12
27:2	THE WITNESS: Yes, it is.	
34:5 - 34:7	<b>Hartle, Nathan 08-01-2018 (00:00:13)</b>	NH02.13
34:5	Q. Okay. Well, let's look at	
34:6	1437.3, which we will mark as Exhibit 41 --	
34:7	42.	
34:11 - 36:19	<b>Hartle, Nathan 08-01-2018 (00:01:58)</b>	NH02.14
34:11	Q. All right, Mr. Hartle. You see	
34:12	this controlled substance monitoring,	
34:13	Discount Drug Mart?	
34:14	Do you recognize that?	
34:15	A. I absolutely do.	
34:16	Q. Okay. And it appears, though	
34:17	this one does have a date on it, it's	
34:18	September 29, 2017. So not really all that	
34:19	long ago, right?	
34:20	A. Correct.	
34:21	Q. Okay. Less than a year ago,	
34:22	right?	
34:23	A. That is.	
34:24	Q. And you see down there Nate	
34:25	Hartle, senior director, regulatory affairs,	
35:1	right?	
35:2	A. Yeah, it's my document.	
35:3	Q. Okay. Do you recall giving	
35:4	this presentation?	
35:5	A. I do.	
35:6	MR. RAFFERTY: If we could,	
35:7	let's turn to .3, Corey.	
35:8	QUESTIONS BY MR. RAFFERTY:	
35:9	Q. You see that up in the top of	
35:10	one of your slides there on page 3, a	
35:11	headline, "Deadliest Drug Epidemic on Record	
35:12	in Our Nation's History"?	

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Page/Line	Source	ID
35:13 35:14 35:15 35:16 35:17 35:18 35:19 35:20 35:21 35:22 35:23 35:24 35:25 36:1 36:2 36:3 36:4 36:5 36:6 36:7 36:8 36:9 36:10 36:11 36:12 36:13 36:14 36:15 36:16 36:17 36:18 36:19 37:4 - 37:9 37:11 - 37:12	Do you see that? A. Yep. Q. You wouldn't have put that in your presentation unless you thought it was true, right? A. No. Q. So you don't dispute that, right? A. I do not. Q. Okay. It then goes on and says, "The drug problems of past decades pale when compared to the current opioid epidemic which has killed 165,000 Americans from 2000 to 2014." Did I read that right? A. You did. Q. Okay. Once again, you agree with that statement, right? A. These are part of the presentation that I gave. Q. Okay. If we now go to the next page, page 4, it says over there, "Scope of the problem." On an average day, an average day in the US, more than 650,000 opioid prescriptions are dispensed. Do you see that? A. I do. Q. 3,900 people initiate non-medical use of prescription opioids, and then it says 580 people initiate heroin use. You see that? A. I see those. <b>Hartle, Nathan 08-01-2018 (00:00:18)</b> Q. I don't -- okay. As head of regulatory affairs and the controlled substance monitoring program for national chains of McKesson, would you agree that in fact narcotic painkiller abuse, opioid abuse, is a gateway to heroin use? <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.15 NH02.16

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Page/Line	Source	ID
37:14 - 37:18	37:11 THE WITNESS: I would agree 37:12 that it can be, yeah. <b>Hartle, Nathan 08-01-2018 (00:00:09)</b>	NH02.17
37:19 - 38:7	37:14 Q. Okay. And in fact, 78 people 37:15 die from an opioid-related overdose every day 37:16 according to your slide. 37:17 Do you see that? 37:18 A. I see that. <b>Hartle, Nathan 08-01-2018 (00:00:35)</b>	NH02.256
38:14 - 38:20	37:19 Q. In fact, if you go on to your 37:20 presentation, page 16, .16, talking about the 37:21 heroin use, it says -- or what you say in 37:22 your presentation, or what you put in your 37:23 presentation, was people who are addicted 37:24 to -- and then it says, "Opioid painkillers 37:25 are 40 times more likely to be addicted to 38:1 heroin." 38:2 Do you see that? 38:3 A. I see that. 38:4 Q. And you agree with that? 38:5 A. I put them in the slides as 38:6 part of the information that I keep current 38:7 on. <b>Hartle, Nathan 08-01-2018 (00:00:20)</b>	NH02.18
38:24 - 39:2	38:14 Q. And you wouldn't have put it 38:15 out there if you thought it was inaccurate, 38:16 right? 38:17 A. I would not have. 38:18 Q. Okay. Talking about the 38:19 heroin, the gateway to heroin, if we could, 38:20 let's have 1580. <b>Hartle, Nathan 08-01-2018 (00:00:28)</b>	NH02.19
39:9 - 39:17	38:24 Q. This is another presentation 38:25 that you gave, Mr. Hartle. We'll mark this 39:1 as Exhibit 43. This is another presentation 39:2 that you gave. If you look at this -- <b>Hartle, Nathan 08-01-2018 (00:00:11)</b>	NH02.20
	39:9 Q. You see there it says, 39:10 "Regulatory affairs update, RNA leadership 39:11 team, Nate Hartle, senior director,	

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Page/Line	Source	ID
	39:12 regulatory affairs."	
	39:13 Do you see that?	
	39:14 A. Yes.	
	39:15 Q. November 20, 2015.	
	39:16 You see that?	
	39:17 A. I do.	
40:8 - 41:8	<b>Hartle, Nathan 08-01-2018 (00:00:55)</b>	NH02.21
	40:8 Okay. So if you look here it	
	40:9 says, "Addressing prescription drug abuse and	
	40:10 heroin use." And you see it's got a little	
	40:11 flow chart, you see?	
	40:12 And it goes from the 259	
	40:13 million prescriptions of opioids and then --	
	40:14 which goes into prescription drug misuse	
	40:15 resulting in 1.4 million emergency room	
	40:16 visits in 2011.	
	40:17 And then that follows with	
	40:18 "four out of five users started by	
	40:19 misusing" -- in terms of heroin use, "four	
	40:20 out of five users started by misusing	
	40:21 prescription opioids."	
	40:22 You see that?	
	40:23 A. I see that.	
	40:24 Q. And then overdose, "16,000	
	40:25 prescription opioid deaths; heroin overdoses	
	41:1 rapidly increasing."	
	41:2 Do you see that?	
	41:3 A. I do see that.	
	41:4 Q. "Four out of five users of	
	41:5 heroin started by misusing prescription	
	41:6 opioids."	
	41:7 Did I read that right?	
	41:8 A. That's what it says.	
41:9 - 41:11	<b>Hartle, Nathan 08-01-2018 (00:00:10)</b>	NH02.242
	41:9 MR. RAFFERTY: If we could	
	41:10 have 1.1355, Corey, that we'll mark as	
	41:11 Exhibit 44.	
41:15 - 42:25	<b>Hartle, Nathan 08-01-2018 (00:01:14)</b>	NH02.22
	41:15 Q. This is a document that	
	41:16 says -- it's titled "Prescription Drug Abuse:	

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Page/Line	Source	ID
	<p>41:17 The National Perspective."</p> <p>41:18 It's got McKesson up there in</p> <p>41:19 the top right corner.</p> <p>41:20 Do you see that?</p> <p>41:21 A. I see that.</p> <p>41:22 Q. And down by the bottom middle</p> <p>41:23 it's 2014, McKesson Corporation, correct?</p> <p>41:24 A. Correct.</p> <p>41:25 Q. Okay. If we go into this and</p> <p>42:1 you turn to the second page -- .2, Corey --</p> <p>42:2 and it talks about the current landscape,</p> <p>42:3 epidemic.</p> <p>42:4 Do you see that?</p> <p>42:5 A. I see that.</p> <p>42:6 Q. And then it says, "Prescription</p> <p>42:7 drug overdoses, a US epidemic. In 2007,</p> <p>42:8 approximately 27,000 unintentional drug</p> <p>42:9 overdose deaths occurred in the United</p> <p>42:10 States, one death every 19 minutes.</p> <p>42:11 Prescription drug abuse is the fastest</p> <p>42:12 growing drug problem in the United States."</p> <p>42:13 You see that?</p> <p>42:14 A. I do.</p> <p>42:15 Q. A death every 19 minutes,</p> <p>42:16 right?</p> <p>42:17 A. Right. That's what it says.</p> <p>42:18 Q. Okay. In fact, your company</p> <p>42:19 has been in the business of selling opioid</p> <p>42:20 and narcotic painkillers for many years,</p> <p>42:21 hasn't it?</p> <p>42:22 A. It has.</p> <p>42:23 Q. The same opioid and narcotic</p> <p>42:24 drugs that are at the core of the epidemic</p> <p>42:25 that we've just been talking about, true?</p>	
43:2 - 43:3	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.23
54:18 - 54:21	<p>43:2 THE WITNESS: Those drugs are</p> <p>43:3 part of the epidemic.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:09)</b></p> <p>54:18 Q. Why is there a requirement by</p> <p>54:19 the DEA and the DOJ that has been in place</p>	NH02.24

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Page/Line	Source	ID
54:23 - 54:24	54:20 since 1971 under the Controlled Substances 54:21 Act to report suspicious orders? <b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.25
55:2 - 55:6	54:23 THE WITNESS: It's one of the 54:24 things intended to prevent diversion. <b>Hartle, Nathan 08-01-2018 (00:00:14)</b>	NH02.26
55:8 - 55:9	55:2 Q. There you go. 55:3 And in fact, what happens when 55:4 you fill suspicious orders, they get diverted 55:5 into illegal uses and feed the epidemic in 55:6 the United States, true? <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.27
59:22 - 59:23	55:8 THE WITNESS: Again, that can 55:9 happen. <b>Hartle, Nathan 08-01-2018 (00:00:09)</b>	NH02.28
59:24 - 60:2	59:22 Q. This will be Exhibit P1.851, 59:23 which will be Exhibit 46 to the deposition. <b>Hartle, Nathan 08-01-2018 (00:00:04)</b>	NH02.243
60:4 - 60:5	59:24 Do you recall being shown this 59:25 presentation earlier? 60:1 A. I do remember this from 60:2 yesterday. <b>Hartle, Nathan 08-01-2018 (00:00:07)</b>	NH02.29
66:5 - 66:15	60:4 MR. RAFFERTY: If we could pull 60:5 it up, Corey, please. 1.851. <b>Hartle, Nathan 08-01-2018 (00:00:29)</b>	NH02.30
66:18 - 66:23	66:5 We talked a little bit earlier 66:6 about the duties and responsibilities that 66:7 come along with selling and distributing 66:8 narcotics in the United States. 66:9 Do you recall that? 66:10 A. We have talked about that. 66:11 Q. Okay. In fact, distributors 66:12 and wholesalers of narcotics have a great 66:13 responsibility to help prevent the diversion 66:14 and stop the diversion of narcotics in 66:15 America, true? <b>Hartle, Nathan 08-01-2018 (00:00:10)</b>	NH02.31
	66:18 THE WITNESS: I think everyone 66:19 in the closed distribution has a great	

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Page/Line	Source	ID
66:25 - 67:1	<p>66:20 responsibility to prevent diversion.      66:21 QUESTIONS BY MR. RAFFERTY:      66:22 Q. Including the wholesalers and      66:23 distributors such as McKesson, correct?  <b>Hartle, Nathan 08-01-2018 (00:00:01)</b></p>	NH02.32
71:18 - 71:23	<p>66:25 THE WITNESS: We're included in      67:1 that, correct.  <b>Hartle, Nathan 08-01-2018 (00:00:18)</b></p> <p>71:18 Q. In terms of the ability --      71:19 well, let's turn to page 13. "What can      71:20 happen when these checks and balances      71:21 collapse."      71:22 Do you see that?      71:23 A. I see that.</p>	NH02.33
72:23 - 73:1	<p><b>Hartle, Nathan 08-01-2018 (00:00:08)</b></p> <p>72:23 Q. And it means that if there's      72:24 not effective compliance, then it can result      72:25 in catastrophe, disaster, that type of thing,      73:1 correct?</p>	NH02.34
73:3 - 73:4	<p><b>Hartle, Nathan 08-01-2018 (00:00:01)</b></p> <p>73:3 THE WITNESS: Something bad, of      73:4 course.</p>	NH02.35
73:23 - 74:5	<p><b>Hartle, Nathan 08-01-2018 (00:00:20)</b></p> <p>73:23 So we go to now your      73:24 ability to try to prevent that collapse.      73:25 Do you see the word there,      74:1 "collapse"?      74:2 A. I see that.      74:3 Q. McKesson has a particular      74:4 ability or power as a distributor to prevent      74:5 that collapse, don't they?</p>	NH02.36
74:7 - 74:8	<p><b>Hartle, Nathan 08-01-2018 (00:00:01)</b></p> <p>74:7 THE WITNESS: We have a role in      74:8 prevention.</p>	NH02.37
74:10 - 74:18	<p><b>Hartle, Nathan 08-01-2018 (00:00:40)</b></p> <p>74:10 Q. An important role?      74:11 A. Important, absolutely.      74:12 Q. Yeah. Okay.      74:13 In fact, if we go to page .37,      74:14 do you see there it says, "Distributors have</p>	NH02.38

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	74:15 great power"? Not just power, but great 74:16 power. 74:17 Do you see that? 74:18 A. I see that.	
75:19 - 76:7	<b>Hartle, Nathan 08-01-2018 (00:00:27)</b> 75:19 Q. And what he describes as 75:20 great control -- or I'm sorry, great power is 75:21 it says you control the supply to downstream 75:22 customers. 75:23 Do you see that last bullet 75:24 point there? 75:25 A. I do. 76:1 Q. And it's true, right? If you 76:2 don't sell -- if you hold back an order, you 76:3 don't sell a suspicious order or ship a 76:4 suspicious order, that order can't be 76:5 diverted, right? 76:6 A. That particular one from us 76:7 can't.	NH02.39
76:22 - 77:2	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b> 76:22 That's the reason, you agreed 76:23 with me earlier, that monitoring for 76:24 suspicious orders and reporting suspicious 76:25 orders is not just a check-the-box type of 77:1 issue, right? It's not -- it plays an 77:2 important role in preventing diversion?	NH02.40
77:4 - 77:4	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 77:4 THE WITNESS: It does.	NH02.41
82:9 - 82:20	<b>Hartle, Nathan 08-01-2018 (00:00:24)</b> 82:9 Mr. Boggs was formerly involved 82:10 in the diversion compliance with the DEA, 82:11 correct? 82:12 A. Yes, he was part of the Office 82:13 of Diversion Control. 82:14 Q. Let's see what Mr. Boggs says 82:15 here about "what else impacts diversion." 82:16 "Compliance," and there's one, 82:17 two, three, four -- seven exclamation points 82:18 after that. 82:19 Do you see that, "compliance"?	NH02.42

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83:17 - 84:7	<p>82:20 A. I do.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:32)</b></p> <p>83:17 Read that first bullet point</p> <p>83:18 under "Compliance" with the seven exclamation</p> <p>83:19 points.</p> <p>83:20 A. "The checks and balances</p> <p>83:21 created by the Controlled Substances Act</p> <p>83:22 work."</p> <p>83:23 Q. The next bullet point?</p> <p>83:24 A. "Registrants are a</p> <p>83:25 force-multiplier."</p> <p>84:1 Q. And the final one, will you</p> <p>84:2 read that?</p> <p>84:3 A. "Without sustained sources of</p> <p>84:4 supply, major diversion schemes wither away."</p> <p>84:5 Q. "Without sustained sources of</p> <p>84:6 supply," what he's talking about there is</p> <p>84:7 supply of narcotics, right?</p>	NH02.43
84:9 - 84:9	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.44
84:11 - 84:14	<p>84:9 THE WITNESS: Correct.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:08)</b></p> <p>84:11 Q. Okay. "Major diversion schemes</p> <p>84:12 wither away." That means diversion</p> <p>84:13 decreases, right?</p> <p>84:14 A. That's the idea.</p>	NH02.45
84:24 - 85:10	<p><b>Hartle, Nathan 08-01-2018 (00:00:25)</b></p> <p>84:24 Q. Pretty common sense, isn't it?</p> <p>84:25 Even for somebody not in -- not senior</p> <p>85:1 regulatory affairs director for a distributor</p> <p>85:2 of narcotics, it's pretty straight common</p> <p>85:3 sense, right?</p> <p>85:4 A. It's fairly common sense,</p> <p>85:5 right.</p> <p>85:6 Q. Okay. And the same would be</p> <p>85:7 also fairly common sense, and that is if you</p> <p>85:8 don't effectively comply with the Controlled</p> <p>85:9 Substances Act, then the opposite happens and</p> <p>85:10 diversion increases, correct?</p>	NH02.46
85:12 - 85:14	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.47
	85:12 THE WITNESS: Diversion can	

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85:16 - 85:19	85:13 increase. I don't know if there's an 85:14 exact, you know -- <b>Hartle, Nathan 08-01-2018 (00:00:06)</b>	NH02.48
85:21 - 85:22	85:16 Q. Well, once again, it -- 85:17 A. It's an option. I understand 85:18 what you're saying. 85:19 Q. And it's true, right? <b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.49
122:15 - 123:5	85:21 THE WITNESS: It can be true, 85:22 yes. <b>Hartle, Nathan 08-01-2018 (00:00:34)</b>	NH02.50
	122:15 Q. You're familiar with the 122:16 concept of the thresholds under the 122:17 controlled safety monitoring program -- 122:18 controlled substance monitoring program, 122:19 correct? 122:20 A. I am. 122:21 Q. Okay. In fact, it's somewhat 122:22 the foundation. The thresholds are kind of 122:23 the foundation of the CSMP, true? 122:24 A. They're certainly a core part 122:25 of the program, foundation of the suspicious 123:1 order portion of that, yeah. 123:2 Q. Right. 123:3 The suspicious order monitoring 123:4 is performed through thresholds and the 123:5 setting of thresholds?	
123:7 - 123:7	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.51
123:9 - 123:17	123:7 THE WITNESS: Correct. <b>Hartle, Nathan 08-01-2018 (00:00:27)</b>	NH02.52
	123:9 Q. And in fact, in terms of 123:10 the thresholds, there's two important aspects 123:11 of thresholds as it pertains to the diversion 123:12 of narcotics in the United States, and that 123:13 is, the initial setting of the thresholds and 123:14 then whether or not there should be a 123:15 threshold change request granted to increase 123:16 that threshold, correct? 123:17 A. Correct.	
131:8 - 131:15	<b>Hartle, Nathan 08-01-2018 (00:00:21)</b>	NH02.53

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	<p>131:8 MR. RAFFERTY: This is -- I'm      131:9 handing counsel P1.345, which is      131:10 Exhibit 51 to the deposition.      131:11 QUESTIONS BY MR. RAFFERTY:      131:12 Q. I'm showing you what is the      131:13 March 21, 2013 CSMP.      131:14 You see that?      131:15 A. I do.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:42)</b></p> <p>133:8 All right. So actually go to      133:9 .7 first, I'm sorry, the bottom part of .7,      133:10 "threshold review."      133:11 Do you see that?      133:12 A. I do.      133:13 Q. And then it says, "Regulatory      133:14 department will review/assess customer      133:15 thresholds during the month. Additionally,      133:16 customers that approach a predetermined      133:17 percentage of threshold maximum or exceed      133:18 maximums will receive messaging as shown      133:19 below."      133:20 And then turn the page.      133:21 "Threshold warning: Invoice and delivery doc      133:22 only."      133:23 So that means on their invoice,      133:24 they receive an invoice that says      133:25 "approaching monthly regulatory purchase      134:1 limit," right?      134:2 A. Correct.      134:3 Q. So you notify -- so as a      134:4 customer gets -- now, the customer doesn't      134:5 know what their -- or not supposed to know      134:6 what their threshold is, right?</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:16)</b></p> <p>134:8 THE WITNESS: We don't share it      134:9 with them.      134:10 QUESTIONS BY MR. RAFFERTY:      134:11 Q. You don't share it with them.      134:12 There's a reason why you don't      134:13 share it with them, right?</p>	NH02.54
134:8 - 134:18		NH02.55

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	134:14 A. Sure. 134:15 Q. And that is so that they can't 134:16 try to manipulate a way around it, right, and 134:17 get drugs from other suppliers or other 134:18 distributors or something like that, right -- <b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.56
134:20 - 134:22	134:20 QUESTIONS BY MR. RAFFERTY: 134:21 Q. -- as they approach it, so as 134:22 not to be detected?	
134:24 - 135:4	<b>Hartle, Nathan 08-01-2018 (00:00:08)</b> 134:24 THE WITNESS: It's one of the 134:25 reasons, sure. 135:1 QUESTIONS BY MR. RAFFERTY: 135:2 Q. Okay. Yet, when you start to 135:3 reach a percentage -- and what percentage is 135:4 that, Mr. Hartle?	NH02.57
135:6 - 135:19	<b>Hartle, Nathan 08-01-2018 (00:00:20)</b> 135:6 QUESTIONS BY MR. RAFFERTY: 135:7 Q. When do they get the 135:8 notification that they're bumping up against 135:9 their threshold? 135:10 A. I believe it -- that can be a 135:11 different number at a time and you can adjust 135:12 that, but I think the standard was 135:13 90 percent. 135:14 Q. Okay. 135:15 A. I believe. 135:16 Q. So as it gets close to the 135:17 threshold, you actually notify the customer 135:18 and say, "Hey, you're bumping up against your 135:19 threshold," right?	NH02.58
135:22 - 136:6	<b>Hartle, Nathan 08-01-2018 (00:00:24)</b> 135:22 Q. So at that point -- well, 135:23 correct? 135:24 A. Correct, that's on the invoice. 135:25 That was on invoice. 136:1 Q. All right. So at that point a 136:2 pharmacy, for example, could certainly 136:3 estimate what their threshold level is, 136:4 right? They know -- they could go back and	NH02.59

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136:8 - 136:8	136:5 see how much they've purchased and determine 136:6 how much -- what their threshold is, right? <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.60
137:14 - 137:21	136:8 THE WITNESS: Theoretically. <b>Hartle, Nathan 08-01-2018 (00:00:21)</b> 137:14 Q. So what happens here, according 137:15 to this, is then it says, "Sales and/or DC 137:16 management may contact the customer to 137:17 discuss threshold levels at their 137:18 discretion," right? 137:19 A. Right. That's what it says. 137:20 Q. Are you aware of how DC 137:21 managers and salespeople are paid?	NH02.61
137:23 - 138:2	<b>Hartle, Nathan 08-01-2018 (00:00:06)</b> 137:23 THE WITNESS: In general, yes. 137:24 QUESTIONS BY MR. RAFFERTY: 137:25 Q. They have an incentive. 138:1 They're paid on keeping customers and making 138:2 sales, correct?	NH02.62
138:5 - 138:14	<b>Hartle, Nathan 08-01-2018 (00:00:22)</b> 138:5 Q. That is a part of their 138:6 compensation? 138:7 A. That's how sales works. 138:8 Q. So what you're doing here, 138:9 according to this, is giving them discretion, 138:10 once there's a threshold -- once somebody is 138:11 bumping up against the threshold, to reach 138:12 out to the customer and talk with them about 138:13 whether or not they should initiate a 138:14 threshold change request, right?	NH02.63
138:16 - 138:16	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 138:16 THE WITNESS: Yes.	NH02.64
139:10 - 139:15	<b>Hartle, Nathan 08-01-2018 (00:00:13)</b> 139:10 So you're putting the people 139:11 who stand to profit personally from the sale, 139:12 giving them the discretion to reach out, have 139:13 discussions with the customer as to whether 139:14 or not to initiate a threshold change 139:15 request. That's what this says, right?	NH02.65
139:17 - 139:18	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.66

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139:20 - 139:24	139:17 THE WITNESS: Our sales folks 139:18 are involved in the process. <b>Hartle, Nathan 08-01-2018 (00:00:08)</b>	NH02.67
139:25 - 140:22	139:20 Q. It says then, "If a 139:21 threshold change is requested, follow the 139:22 change request process in step 1.3." 139:23 Do you see that? 139:24 A. I see that. <b>Hartle, Nathan 08-01-2018 (00:00:57)</b>	NH02.244
140:25 - 141:1	139:25 Q. Now it says, "2.2, 140:1 threshold excursion." That means that the 140:2 order has exceeded the threshold, right? 140:3 A. Correct. 140:4 Q. "Once a customer has reached 140:5 their monthly maximum threshold amount, all 140:6 subsequent orders for that item will be 140:7 blocked. This triggers the level review 140:8 process as detailed in level review steps 140:9 below." 140:10 You see that? 140:11 A. I see that. 140:12 Q. So the -- so what we were 140:13 talking about earlier, the exceeding of the 140:14 threshold, is what triggers the level review 140:15 steps, right? 140:16 A. Correct. 140:17 Q. Okay. And then it says it can 140:18 be unblocked if it is temporarily changed, 140:19 permanently changed or if they fall below the 140:20 threshold by returning product or basically a 140:21 new month starts, because it's refreshed at 140:22 the beginning of every month, right? <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.68
144:25 - 145:1	140:25 Q. The threshold is. 141:1 A. Correct. <b>Hartle, Nathan 08-01-2018 (00:00:05)</b>	NH02.69
145:3 - 145:5	144:25 The decision on a TCR must be 145:1 based on direct evidence, correct? <b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.70
	145:3 THE WITNESS: Based on direct	

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146:22 - 148:11	<p>145:4 evidence we receive and review and      145:5 research.</p> <p><b>Hartle, Nathan 08-01-2018 (00:01:29)</b></p> <p>146:22 Q. And if you would, turn to      146:23 page 15, P1.15. This is Exhibit 47.      146:24 Slide 15 says, "Thresholds."      146:25 Do you see that?      147:1 A. I do.      147:2 Q. "Lastly, appropriate" --      147:3 there's a second paragraph there. "Lastly,      147:4 appropriate adjustments will be made because      147:5 in the natural course of business we know      147:6 there will be growth. To make adjustments,      147:7 we are really looking for, quote, direct      147:8 evidence, end quote."      147:9 That's your phrase, right?      147:10 That's what you said?      147:11 A. That's what I had in my notes.      147:12 I don't -- yeah.      147:13 Q. Okay. "An understanding of the      147:14 business model and demonstration of the      147:15 corresponding responsibility."      147:16 Do you see that?      147:17 A. Yes.      147:18 Q. And then it says, "Specifically      147:19 related to direct evidence, just the fact      147:20 that the oxycodone sales are increasing is      147:21 not in and of itself justification to change      147:22 a threshold. When we say direct evidence, it      147:23 is things like" -- and you list them out --      147:24 "the acquisition of a pharmacy and the      147:25 details related to projected increases."      148:1 So acquisition of a pharmacy,      148:2 right? That's one?      148:3 A. Right.      148:4 Q. Two, a new clinic opening up.      148:5 Three, growth in overall      148:6 prescription business or something else that      148:7 connects the increase to a change in business      148:8 model or increased patient activity.</p>	NH02.71

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175:2 - 175:5	<p>148:9 You see that?</p> <p>148:10 A. Yeah, they're examples of</p> <p>148:11 reasons for a request.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:07)</b></p> <p>175:2 Q. The DOJ, as part of their</p> <p>175:3 investigation after 2008, part of that</p> <p>175:4 involved how you were handling threshold</p> <p>175:5 change requests, true?</p>	NH02.72
175:7 - 175:8	<p><b>Hartle, Nathan 08-01-2018 (00:00:01)</b></p> <p>175:7 THE WITNESS: Yes, it was part</p> <p>175:8 of those allegations.</p>	NH02.73
175:10 - 175:13	<p><b>Hartle, Nathan 08-01-2018 (00:00:05)</b></p> <p>175:10 Q. Okay. And you've reviewed</p> <p>175:11 those -- that correspondence from the DOJ,</p> <p>175:12 right?</p> <p>175:13 A. Yes.</p>	NH02.74
175:16 - 175:17	<p><b>Hartle, Nathan 08-01-2018 (00:00:06)</b></p> <p>175:16 Q. Back in 2014, right?</p> <p>175:17 A. Yes.</p>	NH02.75
175:21 - 175:22	<p><b>Hartle, Nathan 08-01-2018 (00:00:19)</b></p> <p>175:21 Q. Let's go to 1.1433. This will</p> <p>175:22 be Exhibit 54.</p>	NH02.76
175:23 - 176:24	<p><b>Hartle, Nathan 08-01-2018 (00:01:05)</b></p> <p>175:23 Here we've got a letter from</p> <p>175:24 the US Department of Justice, John Walsh,</p> <p>175:25 District of Colorado.</p> <p>176:1 Do you see that?</p> <p>176:2 A. I do.</p> <p>176:3 Q. August 13, 2014. This is while</p> <p>176:4 you're there at McKesson now, right?</p> <p>176:5 A. Excuse me?</p> <p>176:6 Q. You're at McKesson as of August</p> <p>176:7 13, 2014?</p> <p>176:8 A. I am. In May, yeah.</p> <p>176:9 Q. Okay. You are senior</p> <p>176:10 regulatory affairs director for national</p> <p>176:11 accounts at that time, true?</p> <p>176:12 A. Correct.</p> <p>176:13 Q. All right. If we could, let's</p> <p>176:14 look at page -- and the title here is</p>	NH02.245

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176:15 "Possible civil action against McKesson 176:16 Corporation for violations of the Controlled 176:17 Substances Act." 176:18 Do you see that? 176:19 A. I do. 176:20 Q. And it says -- and this is a 176:21 letter to your -- to McKesson's lawyers at 176:22 Covington & Burling, the same lawyers here 176:23 today, right? The same law firm? 176:24 A. The same firm, yeah.		
177:18 - 177:23 <b>Hartle, Nathan 08-01-2018 (00:00:12)</b>		NH02.77
177:18 This letter goes through -- and 177:19 we're going to go through some of it now and 177:20 some of it this afternoon, but that's what 177:21 this letter is doing, is they're notifying 177:22 McKesson of violations of the Controlled 177:23 Substance Act, right?		
177:25 - 178:1 <b>Hartle, Nathan 08-01-2018 (00:00:00)</b>		NH02.78
177:25 THE WITNESS: Their 178:1 allegations, right.		
178:3 - 179:1 <b>Hartle, Nathan 08-01-2018 (00:00:56)</b>		NH02.79
178:3 Q. So here it says, if you 178:4 turn to .11, skipping ahead, and it says, 178:5 "McKesson-Aurora's desire for increased sales 178:6 overrode its obligations to report suspicious 178:7 orders." 178:8 Section B, do you see that? 178:9 A. Yes. 178:10 Q. "Our investigation has revealed 178:11 a disturbing pattern: McKesson-Aurora's 178:12 desire for increased sales and retaining its 178:13 customers overrode its obligations to report 178:14 suspicious orders. We have identified this 178:15 trend across several different areas: 1, 178:16 McKesson-Aurora manipulated and circumvented 178:17 thresholds." 178:18 Do you see that? 178:19 A. I see that. 178:20 Q. "Thresholds were supposed to be 178:21 the linchpin of McKesson's compliance		

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	178:22 program, but McKesson-Aurora manipulated 178:23 customers' threshold levels in numerous ways 178:24 to avoid rigorous internal review." 178:25 Did I read that right? 179:1 A. You did.	
179:2 - 179:18	<b>Hartle, Nathan 08-01-2018 (00:00:37)</b>	NH02.246
	179:2 Q. And in fact it says, "First, 179:3 McKesson-Aurora set its initial thresholds 179:4 for its pharmacy customers very high. 179:5 McKesson-Aurora's review process was not even 179:6 triggered until an individual pharmacy sold 179:7 more than 10 percent of that pharmacy's 179:8 average volume from a 12-month period from 179:9 2007 to 2008, a year in which McKesson had 179:10 settled claims because diversion was 179:11 flourishing in McKesson-supplied pharmacies." 179:12 Do you see that? 179:13 A. I do see that. 179:14 Q. That's what we were talking 179:15 about earlier, right, when I asked you about 179:16 if you set thresholds too high initially, 179:17 then the trigger for the evaluation is never 179:18 set off, right?	
179:20 - 179:21	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.80
	179:20 THE WITNESS: It's what we 179:21 discussed earlier, correct.	
180:13 - 180:19	<b>Hartle, Nathan 08-01-2018 (00:00:17)</b>	NH02.81
	180:13 Q. Going down here it 180:14 says -- that's exactly what your -- the 180:15 US Attorney in Colorado is accusing McKesson 180:16 of, right, setting the thresholds too high to 180:17 avoid the triggering of the tiered review? 180:18 That's what it says. 180:19 A. Right.	
180:20 - 181:2	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b>	NH02.257
	180:20 Q. "In some cases, 180:21 McKesson-Aurora set thresholds so high at the 180:22 outset that the pharmacy customer would never 180:23 exceed it and thus never trigger any review 180:24 as to whether an order was indeed	

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180:25 suspicious."		
181:1 Once again, the same thing we		
181:2 were talking about earlier, right?		
181:6 - 181:6 <b>Hartle, Nathan 08-01-2018 (00:00:00)</b>		NH02.82
181:6 Q. Correct?		
181:8 - 181:8 <b>Hartle, Nathan 08-01-2018 (00:00:00)</b>		NH02.83
181:8 THE WITNESS: Right.		
181:10 - 181:16 <b>Hartle, Nathan 08-01-2018 (00:00:12)</b>		NH02.84
181:10 Q. Right.		
181:11 And that that was -- when I		
181:12 asked you if that was a way to manipulate the		
181:13 threshold process, was to set the threshold		
181:14 so high that it never triggered the tier		
181:15 review, that's what you're being accused of		
181:16 by the US Attorney here, right?		
181:18 - 181:19 <b>Hartle, Nathan 08-01-2018 (00:00:02)</b>		NH02.85
181:18 THE WITNESS: That's what they		
181:19 have in here, correct.		
181:21 - 182:11 <b>Hartle, Nathan 08-01-2018 (00:00:35)</b>		NH02.86
181:21 Q. Okay. "Second" -- if you turn		
181:22 to the next page, which is .12. "Second,		
181:23 McKesson-Aurora routinely manipulated the		
181:24 thresholds."		
181:25 Do you see that?		
182:1 A. I do.		
182:2 Q. "It would often preemptively		
182:3 increase the threshold of its customers on		
182:4 particular drugs before the customers had		
182:5 even submitted a TCR seeking a threshold		
182:6 increase."		
182:7 There, that's where we're --		
182:8 that's -- they're talking about actually		
182:9 McKesson employees increasing the thresholds		
182:10 without even a request being made by the		
182:11 customer, right?		
182:14 - 182:17 <b>Hartle, Nathan 08-01-2018 (00:00:02)</b>		NH02.87
182:14 Q. That's what they're talking		
182:15 about?		
182:16 A. That's what they're talking		
182:17 about.		

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182:18 - 183:2	<b>Hartle, Nathan 08-01-2018 (00:00:22)</b> 182:18 Q. Okay. Down in the next 182:19 paragraph, next full paragraph: "Time and 182:20 time again, McKesson-Aurora increased a 182:21 customer's threshold in a particular month so 182:22 that the customer did not exceed that 182:23 threshold and thus trigger McKesson-Aurora's 182:24 obligation to conduct a level 2 or level 3 182:25 review, much less file an SOR with the DEA." 183:1 Do you see that? 183:2 A. I see that.	NH02.258
184:12 - 185:22	<b>Hartle, Nathan 08-01-2018 (00:01:28)</b> 184:12 Q. Well, let's see some of 184:13 the examples that the US Attorney used here, 184:14 which are different than the Thanksgiving. 184:15 "Dale's Pharmacy requested an 184:16 increase of its oxycodone threshold on 184:17 December 27, 2010. Dale's proffered 184:18 justification was normal business with 184:19 increased volume during the holidays." 184:20 Do you see that? 184:21 "Although there were only four 184:22 days remaining in the month until Dale's 184:23 oxycodone would be reset, McKesson-Aurora 184:24 approved an 8,000 dosage unit increase of 184:25 Dale's oxycodone threshold, increasing the 185:1 threshold by 20.5 percent from 39,000 to 185:2 47,000 dosage units." 185:3 Do you see that? 185:4 A. I see that. 185:5 Q. "From June 2010 to 185:6 November 2010, McKesson-Aurora justified 185:7 many -- multiple threshold increases for 185:8 Dale's Pharmacy based upon an alleged influx 185:9 of customers due to the closure of a 185:10 neighboring pharmacy in Fort Lupton. Several 185:11 of the TCRs for Dale's justified requests for 185:12 threshold increases on the grounds that the 185:13 API Pharmacy had stopped selling controlled 185:14 substances. In point of fact, the API	NH02.88

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	185:15 Pharmacy had closed seven years earlier."	
	185:16 You see that?	
	185:17 A. I see that.	
	185:18 Q. That's the kind of thing that	
	185:19 you're supposed to, if you're actually	
	185:20 effectively implementing the CSMP, that you	
	185:21 should know, isn't that right, that you	
	185:22 should detect?	
185:24 - 185:25	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.89
	185:24 THE WITNESS: It should be a	
	185:25 piece of information you should know.	
186:2 - 186:20	<b>Hartle, Nathan 08-01-2018 (00:00:46)</b>	NH02.90
	186:2 Q. Well, not -- yeah, that you	
	186:3 should find -- you should be able to	
	186:4 determine if you're actually doing due	
	186:5 diligence and exercising due diligence in	
	186:6 whether or not to increase a threshold,	
	186:7 right?	
	186:8 A. You should research that.	
	186:9 Q. Okay. "The pharmacy at Salud,	
	186:10 another pharmacy in Fort Lupton, did stop	
	186:11 selling controlled substances for 19 days in	
	186:12 2010. However, McKesson-Aurora allowed	
	186:13 Dale's to rely on this closure excuse for	
	186:14 continued threshold increases for another	
	186:15 four months, even after the pharmacy at Salud	
	186:16 was back up and running."	
	186:17 Once again, something that if	
	186:18 McKesson was using and exercising due	
	186:19 diligence in its investigation it should	
	186:20 determine and it should find out, right?	
186:22 - 186:24	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.91
	186:22 THE WITNESS: Again, that	
	186:23 information is critical to the	
	186:24 decision, part of it.	
187:2 - 187:3	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.92
	187:2 Q. And should be found -- and	
	187:3 should be discovered?	
187:6 - 188:3	<b>Hartle, Nathan 08-01-2018 (00:00:42)</b>	NH02.93
	187:6 Q. Right?	

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187:7 - 187:20	187:7 A. It should be part of it, yes. 187:8 Q. And if you're exercising due 187:9 diligence. 187:10 Going down to the bottom: "In 187:11 sum, the thresh -- the thresholds that were 187:12 originally intended to trigger an 187:13 investigation that could result in a 187:14 suspicious order being reported to the DEA 187:15 never served this purpose. McKesson did not 187:16 set and then maintain its thresholds as 187:17 required by its CSMP. The thresholds did not 187:18 meaningfully restrict McKesson-Aurora's 187:19 customers from obtaining controlled 187:20 substances." 187:21 And then read that next 187:22 sentence, please.	
187:23 - 188:3	187:23 A. It starts "thresholds"? 187:24 Q. Yep. 187:25 A. "Thresholds were moved to 188:1 accommodate whatever purchasing occurred, or 188:2 they were set so high that they never 188:3 triggered any review."	
188:4 - 188:7	<b>Hartle, Nathan 08-01-2018 (00:00:07)</b> 188:4 Q. And that's -- that means that 188:5 the thresholds were being manipulated by 188:6 McKesson in order to accommodate sales, 188:7 right?	NH02.259
188:9 - 188:10	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 188:9 THE WITNESS: That's the 188:10 allegation in here.	NH02.94
190:14 - 190:20	<b>Hartle, Nathan 08-01-2018 (00:00:14)</b> 190:14 Q. Now, in setting the 190:15 threshold -- let's talk about setting the 190:16 thresholds, because that was -- part of the 190:17 allegations in here was the thresholds 190:18 were -- part of the allegations in August 190:19 of 2014 by the US Attorney was that the 190:20 thresholds were being set too high, right?	NH02.95
190:22 - 190:23	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 190:22 THE WITNESS: That's part of	NH02.96

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190:25 - 190:25	190:23 the allegation. <b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.97
191:1 - 191:1	190:25 Q. And if we look at <b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.247
191:1 - 191:2	191:1 1.1461. <b>Hartle, Nathan 08-01-2018 (00:00:04)</b>	NH02.248
191:3 - 191:11	191:1 which will be Exhibit 55 to the 191:2 deposition. <b>Hartle, Nathan 08-01-2018 (00:00:30)</b>	NH02.249
191:19 - 191:21	191:3 Now, this is from Nate Hartle. 191:4 Do you see that at the top? 191:5 A. I do. 191:6 Q. Okay. Now -- and this is dated 191:7 July 23, 2014, right? 191:8 A. Yes. 191:9 Q. So just about a month before 191:10 that letter from the US Attorney, right? 191:11 A. Correct. <b>Hartle, Nathan 08-01-2018 (00:00:26)</b>	NH02.98
191:22 - 193:12	191:19 Q. Okay. Now I want to show you 191:20 1.1458, which will be Exhibit 56 to the 191:21 deposition. <b>Hartle, Nathan 08-01-2018 (00:01:38)</b>	NH02.250
	191:22 All right. This is another 191:23 e-mail from Nate Hartle, September 9, 2014. 191:24 Do you see that? 191:25 A. I do. 192:1 Q. Okay. Let's focus on -- now, 192:2 this is about a month after you got the 192:3 letter, so let's be clear. 192:4 You got Exhibit 55, your e-mail 192:5 dated July 23, 2014, and that's dealing with 192:6 a TCR, a threshold change request, from 192:7 Wegmans. 192:8 Do you see that? 192:9 A. I see that. 192:10 Q. Okay. And then the letter from 192:11 the US Attorney is sent a month later, in 192:12 August, alleging that the thresholds were 192:13 being set too high by McKesson in order to	

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192:14 avoid detection of suspicious orders. That 192:15 was the allegation, right? 192:16 A. It was. 192:17 Q. Okay. And then a -- at least a 192:18 short time after that letter is Exhibit 56, 192:19 which is the September 9, 2014 letter. 192:20 Do you see that -- or e-mail? 192:21 A. Yes. 192:22 Q. All right. So a month after 192:23 you -- that letter is sent to McKesson's 192:24 lawyers, you write a letter -- or an e-mail, 192:25 I'm sorry, dated September 9, 2014, up at the 193:1 top, and you copy Micheal Bishop as well as 193:2 Michael Oriente. 193:3 Do you see that? 193:4 A. I do. 193:5 Q. And then it says, "Wakefern 193:6 threshold methodology." 193:7 You see that? 193:8 A. I do. 193:9 Q. And what it says is, 193:10 "Sensitivity: Company, confidential," right? 193:11 Don't share it outside the 193:12 walls of McKesson, right?		
193:14 - 193:15 <b>Hartle, Nathan 08-01-2018 (00:00:02)</b>		NH02.99
193:14 THE WITNESS: It's classified 193:15 confidential, yeah.		
193:17 - 194:6 <b>Hartle, Nathan 08-01-2018 (00:00:31)</b>		NH02.100
193:17 Q. "Bishop: You asked on the call 193:18 about the methodology we have used in the 193:19 past, so below is what we will use. This 193:20 will be the same as what we will need to do 193:21 with the new NRA [sic] volume for 193:22 hydrocodone." 193:23 So what you're doing is you're 193:24 asking -- you're telling him about how to set 193:25 an initial threshold for this, right? 194:1 A. Correct. 194:2 Q. All right. And what you say 194:3 is, let's calculate it using the total doses		

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194:14 - 194:22	<p>194:4 times distribution settle norm times buffer.</p> <p>194:5 Do you see that?</p> <p>194:6 A. I see that.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:14)</b></p> <p>194:14 Q. Okay. This has been used in 194:15 the past; that's what you said?</p> <p>194:16 A. Similar concept.</p> <p>194:17 Q. Okay. "Buffer, we've used 194:18 25 percent in the past, so that is what I've 194:19 put in for now. And then rounding, we will 194:20 also round up to the nearest 500."</p> <p>194:21 Do you see that?</p> <p>194:22 A. I see that.</p>	NH02.101
195:11 - 195:23	<p><b>Hartle, Nathan 08-01-2018 (00:00:27)</b></p> <p>195:11 You're saying here, let's use 195:12 the same methodology we used in the past, 195:13 right? That's what you said?</p> <p>195:14 A. That's what -- that's in here.</p> <p>195:15 Q. Okay.</p> <p>195:16 A. This relates to --</p> <p>195:17 Q. And this was a few weeks after 195:18 having gotten the letter from the US Attorney 195:19 specifically alleging that you are setting 195:20 the thresholds too high in order to avoid 195:21 detection of suspicious orders, right?</p> <p>195:22 That's the time frame?</p> <p>195:23 A. That's the timing.</p>	NH02.102
197:6 - 197:9	<p><b>Hartle, Nathan 08-01-2018 (00:00:09)</b></p> <p>197:6 Q. And then what you do is 197:7 you take that highest number, the highest 197:8 number you can get over the last year, and 197:9 you tack on 25 percent above it, right?</p>	NH02.103
197:12 - 197:19	<p><b>Hartle, Nathan 08-01-2018 (00:00:16)</b></p> <p>197:12 Q. That's the buffer, 25 percent?</p> <p>197:13 A. That's what a buffer is.</p> <p>197:14 Q. That's what a buffer is.</p> <p>197:15 Okay. So if a store's max 197:16 number of last 12 months was 10,000, you 197:17 automatically set the threshold -- or you 197:18 automatically add a buffer of another 2,500,</p>	NH02.104

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197:21 - 197:22	197:19 right? <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.105
198:1 - 198:9	197:21 THE WITNESS: That's how the 197:22 math works. <b>Hartle, Nathan 08-01-2018 (00:00:28)</b> 198:1 Q. Okay. And then what you do 198:2 after that is you then round it up to the 198:3 next 500. So if it's -- if the number ends 198:4 up falling at 12,501, you then jack it up 198:5 another 499 and put it at 13,000 so that 198:6 the -- the max number of dispensing in a 198:7 month was 10,000, your buffer is now 13,000, 198:8 or 30 percent higher, than what it is they've 198:9 ever dispensed in the prior year, right?	NH02.106
198:11 - 198:13	<b>Hartle, Nathan 08-01-2018 (00:00:05)</b> 198:11 THE WITNESS: That's the math. 198:12 The rounding is for -- you can't -- 198:13 for bottle size factors, typically.	NH02.107
198:15 - 198:18	<b>Hartle, Nathan 08-01-2018 (00:00:05)</b> 198:15 Q. Well, but you're rounding up. 198:16 Why not round it down? You don't round it 198:17 down, do you? 198:18 A. Typically don't.	NH02.108
200:24 - 202:10	<b>Hartle, Nathan 08-01-2018 (00:01:15)</b> 200:24 Let's look at the exhibit, this 200:25 July 23, 2014 e-mail. This was the month 201:1 before the August 2014 letter from the 201:2 US Attorney. 201:3 "Hi, guys" -- 201:4 This is from you, right, Nate 201:5 Hartle? 201:6 A. It is. 201:7 Q. Okay. "Hi, guys, I took a look 201:8 this morning and have a few questions and 201:9 comments." Now, this is -- the subject 201:10 matter is "Wegmans TCR request." 201:11 So what they're looking at is 201:12 what to set Wegmans levels at. Would you 201:13 agree with that? Threshold? 201:14 If you look at page .4, Shari	NH02.109

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201:15 - 202:25	<p>201:15 Pickell e-mail --</p> <p>201:16 A. Yes.</p> <p>201:17 Q. -- to you -- well, cc'd you.</p> <p>201:18 And it says, "Please see the</p> <p>201:19 attached TCR report and dispensing data for</p> <p>201:20 oxycodone for Wegmans stores."</p> <p>201:21 A. Right.</p> <p>201:22 Q. "With their new contract, they</p> <p>201:23 are moving their incremental volume over to</p> <p>201:24 McKesson."</p> <p>201:25 So they're moving business to</p> <p>202:1 McKesson now, right?</p> <p>202:2 A. Correct.</p> <p>202:3 Q. "Please adjust thresholds</p> <p>202:4 accordingly." So there's some back and</p> <p>202:5 forth.</p> <p>202:6 And then ultimately it looks</p> <p>202:7 like on the base codes -- what are the base</p> <p>202:8 codes 9813 and 9814; do you know?</p> <p>202:9 A. Those aren't -- those aren't</p> <p>202:10 current ones in our -- so I can't --</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:02)</b></p>	NH02.110
204:7 - 204:17	<p>202:22 Q. It's an opioid.</p> <p>202:23 A. Yeah.</p> <p>202:24 Q. They're opioids, right?</p> <p>202:25 A. Yeah.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:15)</b></p>	NH02.111
205:5 - 205:19	<p>204:7 Q. Yeah, well, let's go up here.</p> <p>204:8 And you say, "Hi, guys, I took</p> <p>204:9 a look this morning and have a few</p> <p>204:10 questions/comments."</p> <p>204:11 Do you see that?</p> <p>204:12 A. Uh-huh.</p> <p>204:13 Q. "One, do we really want to be</p> <p>204:14 lowering thresholds right now?"</p> <p>204:15 Do you see you asking that</p> <p>204:16 question?</p> <p>204:17 A. Uh-huh.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:28)</b></p> <p>205:5 Q. In number 3?</p>	NH02.112

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	205:6 "I was thinking we would do 205:7 something more like we did with the Rite Aid 205:8 recently. For example, we used total RX 205:9 times the DC norm and add a buffer. In 205:10 Wegmans' case, we could probably start with a 205:11 buffer on top of their max amount." 205:12 So that's what we were talking 205:13 about, the system that you were using in 205:14 September, right? Take the max amount per 205:15 month of dispensing -- 205:16 A. Right. 205:17 Q. -- add a buffer. 205:18 Do you see that? 205:19 A. I do.	
206:3 - 206:19	<b>Hartle, Nathan 08-01-2018 (00:00:37)</b>	NH02.113
	206:3 Q. But here it says, "take" -- it 206:4 says, "Logic, take max and add a buffer, 206:5 i.e., 20 percent, to round up to the nearest 206:6 500." 206:7 Do you see that? 206:8 A. I see that. 206:9 Q. So once again, taking whatever 206:10 number it is -- and so you give an example 206:11 down below, store number 1. The max monthly 206:12 dispensing for that store at 11,800, add the 206:13 20 percent buffer puts it at 14, 1,060 [sic], 206:14 new threshold, 14,500. 206:15 Do you see that? 206:16 A. I see that. 206:17 Q. So instead of -- so that's 206:18 almost 3,000 doses per month higher than 206:19 their max dispensing, right?	
206:22 - 206:23	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.114
	206:22 Q. That's an example. 206:23 A. It's an example.	
209:17 - 210:13	<b>Hartle, Nathan 08-01-2018 (00:00:54)</b>	NH02.115
	209:17 Q. Okay. So I just want to 209:18 reorient us. If we could take a look at 209:19 Exhibit 54 that you've got there, which is a 209:20 letter from the US Attorney, District of	

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	209:21 Colorado, dated August 13, 2014. 209:22 That's -- this is the one that 209:23 was right in the middle of the two -- the 209:24 date that was in the middle of the two 209:25 e-mails that we were discussing. 210:1 You recall that? 210:2 A. Yes. 210:3 Q. Okay. So this is August 2014. 210:4 If we look at page .11, please, 210:5 what he's -- what he's being critical of, and 210:6 the allegation in here in terms of the 210:7 McKesson-Aurora manipulated and circumvented 210:8 thresholds is, first he says, 210:9 "McKesson-Aurora set its initial thresholds 210:10 for its pharmacy customers very high. 210:11 McKesson-Aurora's review process was not even 210:12 triggered," meaning the threshold -- a 210:13 threshold excursion, right?	
210:16 - 211:9	<b>Hartle, Nathan 08-01-2018 (00:00:51)</b>	NH02.116
	210:16 Q. "The process was -- the review 210:17 process was not even triggered until an 210:18 individual pharmacy sold more than 10 percent 210:19 of that pharmacy's average volume for a 210:20 12-month period from 2007 to 2008." 210:21 You see that? 210:22 A. I see that. 210:23 Q. Okay. So if we look at that, 210:24 what he's saying there is there was a 10 210:25 percent buffer built in over the pharmacy's 211:1 average volume from a 12-month period, right? 211:2 A. Correct. 211:3 Q. Which is lower than the 20 to 211:4 25 percent buffer you used. And this uses an 211:5 average volume from a 12-month period, which 211:6 is lower than the max value for a month in 211:7 the prior 12 months, right? 211:8 A. Correct. This is purchasing 211:9 versus dispensing in mine.	
212:1 - 212:20	<b>Hartle, Nathan 08-01-2018 (00:00:55)</b>	NH02.117
	212:1 Q. Now, if we go back to	

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	212:2 your July 2014 e-mail, which is exhibit -- it 212:3 should be one of the just last couple but -- 212:4 I think 55. 55, I'm sorry. 212:5 This is July 23, 2014, and this 212:6 is the one where you asked, "Do we really 212:7 want to be lowering thresholds right now?" 212:8 Do you see that? 212:9 A. I see that. 212:10 Q. Now, during this time period in 212:11 2014, do you know -- when you're asking that 212:12 question about lowering thresholds, do you 212:13 know what's going on in the country in terms 212:14 of the opioid epidemic? 212:15 A. I do. 212:16 Q. Okay. In fact, it was during 212:17 this same time period we looked at the 212:18 document in 2014 that said that a person was 212:19 dying in the United States from an opioid 212:20 overdose every 19 minutes, right?	
212:22 - 212:22	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.118
	212:22 THE WITNESS: Agree.	
212:24 - 213:5	<b>Hartle, Nathan 08-01-2018 (00:00:19)</b>	NH02.119
	212:24 Q. So while you are asking the 212:25 question, should we be lowering thresholds, 213:1 which is the very mechanism by which you 213:2 trigger the investigation and the review for 213:3 suspicious orders, and you're saying should 213:4 we be lowering them and doing that, people 213:5 are dying from opioids, right?	
213:7 - 213:8	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.120
	213:7 THE WITNESS: I understand 213:8 people are dying from opiates.	
221:19 - 221:20	<b>Hartle, Nathan 08-01-2018 (00:00:06)</b>	NH02.121
	221:19 Q. Okay. Now -- all right.	
	221:20 Looking at P1.88,	
221:20 - 222:19	<b>Hartle, Nathan 08-01-2018 (00:01:09)</b>	NH02.251
	221:20 this is a copy of the 221:21 administrative memorandum of agreement 221:22 pertaining to the 2017 settlement. 221:23 Have you reviewed this before?	

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221:24 - 222:13	A. I have. Q. Okay. And if you would, please turn to the back page, which is P -- I'm sorry, page 14. Page 14. Oh, I'm sorry, it's 58. I'm sorry, did you -- have you seen this before, Mr. Hartle?	
222:14 - 222:19	A. I have. Q. Okay. If you would, turn to page 14. And if you look over there, the signatures of the acting administrator of the Drug Enforcement Administration and assistant administrator for the Diversion Control Division of DEA; do you see that?	
222:21 - 222:21	A. I see that. Q. And those are dated January 17, 2017, right?	Hartle, Nathan 08-01-2018 (00:00:01) NH02.122
222:25 - 223:4	Correct. Q. And that's the date that the agreement was finalized and the \$150 million fine was levied, correct?	Hartle, Nathan 08-01-2018 (00:00:25) NH02.123
223:8 - 223:14	Q. Okay. Now, I'm going to show you a copy of what we're going to mark as Exhibit 59, which is an e-mail from January 30, 2017, from you. And if you could, I want --	Hartle, Nathan 08-01-2018 (00:00:07) NH02.124
223:17 - 224:6	Q. What I'd like to do is direct your attention to the bottom e-mail first from Dan Jefferies. Do you see that? A. I do. Q. Do you know Mr. Jefferies? A. I do.	Hartle, Nathan 08-01-2018 (00:00:26) NH02.125
	Q. Okay. It says, "Subject, opioid reductions."	

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223:19	Do you see that?	
223:20	A. I see that.	
223:21	Q. Okay. And he's talking about	
223:22	some discussion at a Topco meeting.	
223:23	Do you see that?	
223:24	A. I do.	
223:25	Q. Okay. And he says their	
224:1	concerns were, "One, that manufacturers would	
224:2	stockpile the product and release it at a	
224:3	higher price; two, McKesson would stockpile	
224:4	and release at a higher price; and three,	
224:5	thresholds would be dramatically cut."	
224:6	Do you see that?	
224:8 - 224:8	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.126
224:8	THE WITNESS: I see that.	
225:8 - 225:9	<b>Hartle, Nathan 08-01-2018 (00:00:05)</b>	NH02.127
225:8	Q. One of their concerns was that	
225:9	thresholds would be dramatically cut.	
225:12 - 226:19	<b>Hartle, Nathan 08-01-2018 (00:00:57)</b>	NH02.128
225:12	Q. I just read it to you.	
225:13	A. Right. I'm just looking.	
225:14	Right.	
225:15	Q. Okay. And Topco, so that we're	
225:16	clear, is one of the national chains, the	
225:17	national accounts, right?	
225:18	A. It's a buying group that has	
225:19	chains associated with it, but it's in our	
225:20	segment.	
225:21	Q. Right. Okay. It's in your	
225:22	segment --	
225:23	A. Correct.	
225:24	Q. -- under your control --	
225:25	A. Correct.	
226:1	Q. -- which is why you're	
226:2	discussing this with we.	
226:3	A. Correct.	
226:4	Q. So up here you respond and you	
226:5	say, "You were right in that the reduction	
226:6	was just taking out a buffer, so we have no	
226:7	concerns and do not anticipate any negative	

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226:8 impact. This should be a nonissue, so it is 226:9 business as usual from a threshold 226:10 perspective."		
226:11 Right? That's what you said?		
226:12 A. Correct.		
226:13 Q. And this is January 30, 2017, 226:14 right after signing -- this is less than two 226:15 weeks after signing the memorandum of 226:16 understanding regarding the \$150 million fine 226:17 which included allegations in terms of how 226:18 your thresholds were set, how your -- 226:19 McKesson's thresholds were set, right?		
226:21 - 226:22 <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>		NH02.129
226:21 THE WITNESS: That's the 226:22 timing.		
227:18 - 227:20 <b>Hartle, Nathan 08-01-2018 (00:00:05)</b>		NH02.130
227:18 McKesson is business as usual 227:19 in regards to the way you set thresholds for 227:20 your customers, right?		
227:23 - 227:24 <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>		NH02.131
227:23 Q. That's what you're saying 227:24 there?		
228:1 - 228:2 <b>Hartle, Nathan 08-01-2018 (00:00:01)</b>		NH02.132
228:1 THE WITNESS: For these 228:2 customers, yeah.		
240:14 - 241:3 <b>Hartle, Nathan 08-01-2018 (00:00:38)</b>		NH02.133
240:14 QUESTIONS BY MR. RAFFERTY: 240:15 Q. All right. Let's -- all right. 240:16 Let's look at what else is going on. 240:17 During 2014, there were some -- 240:18 you're familiar with HDMA. We talked a 240:19 little bit about that earlier, right? 240:20 A. I am. 240:21 Q. That's your trade organization? 240:22 A. Right. Correct. 240:23 (McKesson-Hartle Exhibit 61 240:24 marked for identification.) 240:25 241:1 QUESTIONS BY MR. RAFFERTY: 241:2 Q. Okay. And if we look at 1490,		

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241:4 - 242:11	<p>241:3 which will be Exhibit 61 to the depo.</p> <p><b>Hartle, Nathan 08-01-2018 (00:01:03)</b></p> <p>241:4 So this is right around the</p> <p>241:5 time you're starting at McKesson, right, May</p> <p>241:6 2014?</p> <p>241:7 A. In 2014.</p> <p>241:8 Q. Okay. "SGAC annual meeting."</p> <p>241:9 Do you see that?</p> <p>241:10 A. I see that.</p> <p>241:11 Q. And what is that; do you know?</p> <p>241:12 A. I don't know.</p> <p>241:13 Q. It says "HDMA" down at the</p> <p>241:14 bottom, Healthcare Distribution Management</p> <p>241:15 Association. You guys are on the -- you</p> <p>241:16 guys. You're -- McKesson is on the executive</p> <p>241:17 committee of that, right?</p> <p>241:18 A. Correct.</p> <p>241:19 Q. Okay. And it says, if you look</p> <p>241:20 at point 2, "HDMA state government affairs</p> <p>241:21 capabilities, prepared for the HDMA executive</p> <p>241:22 committee expense working group."</p> <p>241:23 Do you see that?</p> <p>241:24 A. I do see that.</p> <p>241:25 Q. And one of the things, if you</p> <p>242:1 turn over a couple of pages to .4, one of the</p> <p>242:2 things it says is, "Challenges on the</p> <p>242:3 horizon: State efforts to address, reduce,</p> <p>242:4 prevent prescription abuse and diversion."</p> <p>242:5 Do you see that?</p> <p>242:6 A. I see that.</p> <p>242:7 Q. Okay. So your trade</p> <p>242:8 organization that you're on the executive</p> <p>242:9 committee sees states' efforts to reduce and</p> <p>242:10 prevent diversion as a challenge to your</p> <p>242:11 business, right?</p>	NH02.252
242:13 - 242:15	<p><b>Hartle, Nathan 08-01-2018 (00:00:02)</b></p> <p>242:13 QUESTIONS BY MR. RAFFERTY:</p> <p>242:14 Q. Not as an opportunity but as a</p> <p>242:15 challenge?</p>	NH02.134
242:17 - 242:19	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.135

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286:18 - 287:4	<p>242:17 THE WITNESS: I don't know what      242:18 the speaking points are, but it's on      242:19 the challenge slide.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:30)</b></p> <p>286:18 Q. All right. Around this same      286:19 time period, Mr. Hartle, that we were      286:20 discussing that letter from the US Attorney      286:21 from West Virginia, there was also other      286:22 US Attorneys involved in investigating      286:23 McKesson's failure to report suspicious      286:24 orders, true?</p> <p>286:25 A. Yes.</p> <p>287:1 Q. In fact, one of those was John      287:2 Walsh from the District of Colorado, and that      287:3 letter is August 13, 2004 -- August 13, 2014,      287:4 correct? It's Exhibit 54.</p>	NH02.136
287:5 - 287:24	<p><b>Hartle, Nathan 08-01-2018 (00:00:39)</b></p> <p>287:5 A. Is it August 13, 2014?</p> <p>287:6 Q. Yes, sir.</p> <p>287:7 A. Correct.</p> <p>287:8 Q. All right. If we turn to      287:9 page 2 of that -- well, go back, just so I      287:10 can orient.</p> <p>287:11 Okay. So you see up there,      287:12 August 13, 2014. And it's "Re: possible      287:13 civil action against McKesson Corporation for      287:14 violations of the Controlled Substances Act,"      287:15 correct?</p> <p>287:16 A. Correct.</p> <p>287:17 Q. Okay. So if we go to page 2,      287:18 it says here in the second full paragraph at      287:19 the beginning, "The regulatory requirement to      287:20 report suspicious orders is not meaningless      287:21 box-checking."</p> <p>287:22 Do you see that?</p> <p>287:23 A. I see that.</p> <p>287:24 Q. And you agree with that, right?</p>	NH02.253
288:1 - 288:2	<p><b>Hartle, Nathan 08-01-2018 (00:00:02)</b></p> <p>288:1 THE WITNESS: It's not a      288:2 meaningless process, no.</p>	NH02.137

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288:21 - 289:14	<b>Hartle, Nathan 08-01-2018 (00:00:36)</b> 288:21 Q. And then it goes on and says, 288:22 "Suspicious order reporting serves concrete 288:23 public safety goals." 288:24 Do you see that? 288:25 A. I see that. 289:1 Q. "Distributors are on the front 289:2 lines and thus in a unique position to 289:3 promptly advise the DEA when they receive an 289:4 order that is unusual, deviates from a normal 289:5 patterns or is otherwise suspicious or 289:6 inappropriate. If the distributor does not 289:7 alert the DEA of such orders, then the DEA 289:8 cannot take the necessary law enforcement 289:9 steps to investigate the orders and prevent 289:10 diversion. In this manner, distributors like 289:11 McKesson-Aurora play a vital role in 289:12 preventing diversion." 289:13 Do you see that? 289:14 A. I see that.	NH02.138
289:19 - 290:4	<b>Hartle, Nathan 08-01-2018 (00:00:40)</b> 289:19 Q. So then if we turn to 289:20 .3, page .3, I'm sorry, it says in that top 289:21 paragraph, "Instead, when McKesson-Aurora 289:22 received a suspicious order from one of its 289:23 pharmacy customers, the distribution center 289:24 manipulated its internal control systems in 289:25 various ways to avoid having to report that 290:1 order." 290:2 Now, what they're talking about 290:3 there is manipulating the threshold change 290:4 requests, aren't they?	NH02.139
290:6 - 290:7	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 290:6 THE WITNESS: They're talking 290:7 about thresholds.	NH02.140
290:9 - 290:25	<b>Hartle, Nathan 08-01-2018 (00:00:35)</b> 290:9 Q. Okay. "The result was that 290:10 readily available identifiable orders and 290:11 ordering patterns that were obvious signs of 290:12 diversion occurring at McKesson-Aurora	NH02.141

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290:13 customer pharmacies went unreviewed and 290:14 unreported. In this manner, 290:15 McKesson-Aurora's desire for increased sales 290:16 drove its compliance efforts." 290:17 Do you see that? 290:18 A. I see that. 290:19 Q. Okay. Then it goes on and 290:20 says, "McKesson-Aurora's failure to report 290:21 suspicious orders to the DEA has had tangible 290:22 and tragic consequences." 290:23 Have you reviewed this document 290:24 before, Mr. Hartle? 290:25 A. I have seen it.		
291:20 - 292:7 <b>Hartle, Nathan 08-01-2018 (00:00:33)</b>		NH02.142
291:20 Q. Okay. And it says here, "The 291:21 tangible and tragic consequences. At least 291:22 nine overdose deaths in Colorado can be 291:23 traced to purchases made at pharmacies that 291:24 were purchasing unusually high quantities of 291:25 oxycodone and hydrocodone from 292:1 McKesson-Aurora." 292:2 Do you see that? 292:3 A. I do. 292:4 Q. Identified nine deaths as a 292:5 direct result of diversion involving 292:6 pharmacies you were providing the narcotics 292:7 to, right?		
292:9 - 292:20 <b>Hartle, Nathan 08-01-2018 (00:00:26)</b>		NH02.143
292:9 THE WITNESS: I see that listed 292:10 in here, yes. 292:11 QUESTIONS BY MR. RAFFERTY: 292:12 Q. So after you got this 292:13 information in 2014, did you reach out? Did 292:14 you try to find who those people were? Did 292:15 you try to go to the pharmacy? Did you try 292:16 to reach out to anybody in Aurora that was 292:17 involved in these deaths, any of their family 292:18 members, to try and figure out how McKesson 292:19 could not -- could do something to not let 292:20 this happen again? Did you do that?		

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292:22 - 292:23	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 292:22 THE WITNESS: Personally, no, I 292:23 did not.	NH02.144
292:25 - 293:12	<b>Hartle, Nathan 08-01-2018 (00:00:33)</b> 292:25 Q. "At least two drug trafficking 293:1 organizations were operating out of 293:2 McKesson-Aurora-supplied pharmacies and 293:3 diverting prescription drugs for sales on the 293:4 street, but McKesson-Aurora never once 293:5 reported those pharmacies' blatant pattern of 293:6 suspicious ordering to the DEA." 293:7 Do you see that? 293:8 A. I see that. 293:9 Q. So nine people dead, two drug 293:10 trafficking organizations running out of 293:11 pharmacies that you were selling narcotics 293:12 to, and no reports to the DEA, right?	NH02.145
293:14 - 293:15	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 293:14 THE WITNESS: Again, that's -- 293:15 those are the allegations, yes.	NH02.146
293:17 - 293:20	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b> 293:17 Q. All after -- years after you 293:18 signed an agreement with the DEA in 2008 to 293:19 report suspicious orders and to stop 293:20 shipments of suspicious orders, right?	NH02.147
293:22 - 293:23	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 293:22 THE WITNESS: After that 293:23 settlement agreement, yes.	NH02.148
294:1 - 294:13	<b>Hartle, Nathan 08-01-2018 (00:00:41)</b> 294:1 In fact, amazingly, if you look 294:2 down in 2011, not only was McKesson turning a 294:3 blind eye to what was going on at the 294:4 McKesson-Aurora facility but, in fact, in 294:5 2011 McKesson-Aurora was recognized as the 294:6 distribution center of the year and given an 294:7 award. 294:8 Do you see that? 294:9 A. I do see that. 294:10 Q. Do you think the families of 294:11 those nine people who passed away feel like	NH02.149

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294:15 - 294:16	294:12 the Aurora -- McKesson-Aurora distribution 294:13 center should be given an award? <b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.150
318:24 - 319:10	294:15 THE WITNESS: I certainly 294:16 wouldn't feel that way. <b>Hartle, Nathan 08-01-2018 (00:00:25)</b> 318:24 Q. Okay. And in fact, you're 318:25 familiar with the concept of the migration of 319:1 diverted drugs, correct, meaning drugs 319:2 that -- go ahead. 319:3 A. That move borders. 319:4 Q. Right. 319:5 A. Right. 319:6 Q. Drugs don't just -- because you 319:7 sell it to one particular pharmacy doesn't -- 319:8 in one particular town doesn't mean that drug 319:9 is staying in that town, right? 319:10 A. Agreed.	NH02.151
319:25 - 320:16	<b>Hartle, Nathan 08-01-2018 (00:00:29)</b> 319:25 This is from Exhibit 44, and I 320:1 can just put this up, if you want. It's a 320:2 chart. 320:3 This is from, just so you are 320:4 aware, the prescription drug abuse we looked 320:5 at earlier. 320:6 A. I've seen it before. 320:7 Q. Okay. 320:8 A. Okay. 320:9 Q. From McKesson. This is from 320:10 McKesson in 2014. And this is one of the 320:11 slides. "Drug diversion, migration out of 320:12 Florida." 320:13 And you see the arrow going all 320:14 the way up through Georgia, Tennessee, 320:15 Kentucky, Ohio, Missouri? 320:16 A. Yeah, I'm aware of --	NH02.152
320:18 - 320:20	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b> 320:18 THE WITNESS: Oh, excuse me. 320:19 Aware of how drugs move and 320:20 migrate, so...	NH02.153

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321:6 - 321:17	<b>Hartle, Nathan 08-01-2018 (00:00:26)</b> 321:6 And in fact, the distribution 321:7 centers that you're talking about, that when 321:8 we're talking about distribution centers in 321:9 these states, those distribution centers 321:10 actually service pharmacies in other states, 321:11 right? 321:12 It's not just because it's 321:13 located in, you know, Washington Court House, 321:14 Ohio, that it's not servicing pharmacies in 321:15 other states or surrounding states, correct? 321:16 A. Correct. Distribution centers 321:17 can serve customers in multiple states.	NH02.154
323:5 - 323:11	<b>Hartle, Nathan 08-01-2018 (00:00:19)</b> 323:5 Q. And specifically -- so what I'm 323:6 saying is, because we're talking about -- 323:7 trying to see that -- the effect that that 323:8 has, that diversion has -- based out of 323:9 distribution centers, it affects not just the 323:10 state that it's sitting in but many other 323:11 states that it services as well, correct?	NH02.155
323:13 - 323:14	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 323:13 THE WITNESS: I agree that 323:14 diversion migrates.	NH02.156
389:12 - 390:1	<b>Hartle, Nathan 08-01-2018 (00:00:27)</b> 389:12 QUESTIONS BY MR. PAPANTONIO: 389:13 Q. Sir, I was -- I listened to you 389:14 when you said that you thought there was a 389:15 responsibility to know what's going on 389:16 news-wise around the country. If you know 389:17 what a reporter is saying about a particular 389:18 area, that's important information to you, 389:19 and I think you said -- you explained that to 389:20 my partner. You said, yes, that's important; 389:21 yes, I keep up with it; no, I can't tell you 389:22 what everybody else does, but I do. That's I 389:23 think what you said. 389:24 A. Correct. 389:25 Q. If I didn't characterize that 390:1 right --	NH02.157

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390:3 - 390:12	<b>Hartle, Nathan 08-01-2018 (00:00:20)</b> 390:3 QUESTIONS BY MR. PAPANTONIO: 390:4 Q. Right? 390:5 A. Yeah, as part of my entire 390:6 career, I want to stay in tune with -- 390:7 Q. And you saw where my partner 390:8 actually showed you that you were doing what 390:9 the DEA told you to do, which was to stay 390:10 abreast of what the newspaper reports are in 390:11 any given area about problems that there may 390:12 be with opioids.	NH02.158
390:14 - 390:23	<b>Hartle, Nathan 08-01-2018 (00:00:14)</b> 390:14 QUESTIONS BY MR. PAPANTONIO: 390:15 Q. Do you remember that section 390:16 that he showed you where the DEA said this is 390:17 something you should do? 390:18 A. Correct. 390:19 Q. Okay. So did you know to do 390:20 that because the DA directed you -- DEA 390:21 directed you or did you just think that was a 390:22 good idea to stay abreast of what was going 390:23 on with news reports from around the country?	NH02.159
390:25 - 391:1	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 390:25 THE WITNESS: That's what I do 391:1 as part of my information gathering.	NH02.160
391:13 - 391:19	<b>Hartle, Nathan 08-01-2018 (00:00:13)</b> 391:13 Explain to the jury, if you 391:14 would, why this process that -- I don't want 391:15 to judge whether you did it on your own or 391:16 whether the DEA told you to do it, but this 391:17 process of where you think gathering 391:18 information from news sources is important. 391:19 Explain to them why that's important.	NH02.161
391:21 - 392:1	<b>Hartle, Nathan 08-01-2018 (00:00:11)</b> 391:21 THE WITNESS: It's important to 391:22 help understand the landscape, what's 391:23 going on, different -- different 391:24 information you can gain to help you 391:25 better run your program or better 392:1 understand what's happening.	NH02.162

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429:15 - 429:24	<b>Hartle, Nathan 08-01-2018 (00:00:19)</b> 429:15 Did you know that there was a 429:16 representation made -- it wasn't from your 429:17 company, but there was a representation made 429:18 to Congress during the Congressional hearings 429:19 that there -- the reason they didn't know 429:20 exactly how many drugs were being told -- 429:21 sold in a pharmacy is they didn't know what 429:22 the other companies were selling to the 429:23 pharmacy. 429:24 You ever heard that?	NH02.163
430:1 - 430:7	<b>Hartle, Nathan 08-01-2018 (00:00:08)</b> 430:1 THE WITNESS: I've heard 430:2 statements like that. 430:3 QUESTIONS BY MR. PAPANTONIO: 430:4 Q. But that wouldn't be true. You 430:5 had the ability to find out all the drugs 430:6 that were being sold in a pharmacy. We can 430:7 agree with that, can't we?	NH02.164
430:9 - 430:11	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 430:9 QUESTIONS BY MR. PAPANTONIO: 430:10 Q. You could have done an audit 430:11 anytime?	NH02.165
430:13 - 430:20	<b>Hartle, Nathan 08-01-2018 (00:00:05)</b> 430:13 THE WITNESS: That was part of 430:14 our process. We would get -- 430:15 QUESTIONS BY MR. PAPANTONIO: 430:16 Q. Yes, sir. 430:17 A. -- dispensing data and be able 430:18 to see -- 430:19 Q. That's what I'm trying to get 430:20 at. I just want to be clear about something.	NH02.166
431:5 - 431:11	<b>Hartle, Nathan 08-01-2018 (00:00:17)</b> 431:5 Q. If you wanted to know whether 431:6 Cardinal was selling drugs to a pharmacy 431:7 along with Amerisource, you had the right to 431:8 audit and find out. You knew exactly how 431:9 many drugs were being sold in any given 431:10 pharmacy that you were doing business with, 431:11 at least when you came along?	NH02.167

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431:13 - 431:14	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 431:13 THE WITNESS: Correct. We 431:14 would ask for dispensing to validate.	NH02.168
437:20 - 438:3	<b>Hartle, Nathan 08-01-2018 (00:00:24)</b> 437:20 QUESTIONS BY MR. PAPANTONIO: 437:21 Q. Here's what I want to ask you 437:22 about. You don't have -- there is no oxy 437:23 express if the level of narcotics are 437:24 properly controlled. If you don't have a 437:25 glut, an excess, of pharmaceuticals, things 438:1 like -- things like the oxy express can't 438:2 even exist because there aren't enough pills, 438:3 right? You'd agree with that?	NH02.169
438:5 - 438:9	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b> 438:5 THE WITNESS: If there's less 438:6 pills -- 438:7 QUESTIONS BY MR. PAPANTONIO: 438:8 Q. Right. 438:9 A. -- sure.	NH02.170
439:6 - 439:11	<b>Hartle, Nathan 08-01-2018 (00:00:09)</b> 439:6 But Kermit was in West 439:7 Virginia, correct? You know that? 439:8 A. Correct. 439:9 Q. And it had a population of 439:10 about 406 people; you know that. It's a very 439:11 small population.	NH02.171
439:13 - 439:21	<b>Hartle, Nathan 08-01-2018 (00:00:16)</b> 439:13 THE WITNESS: Small population. 439:14 QUESTIONS BY MR. PAPANTONIO: 439:15 Q. Okay. But nevertheless, it was 439:16 getting millions of pills shipped into this 439:17 little area of a population of 406 people; 439:18 did you know that? 439:19 Do you know how many million of 439:20 pills were shipped in, that McKesson actually 439:21 shipped in?	NH02.172
439:23 - 439:25	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 439:23 THE WITNESS: I know there were 439:24 many. 439:25	NH02.173

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442:4 - 442:9	<b>Hartle, Nathan 08-01-2018 (00:00:14)</b> 442:4 Q. Yeah, but you would agree 442:5 that if there's millions of pills that are 442:6 supposed to be shipped just to the town of 442:7 Kermit, then 406 people cannot absorb 442:8 millions of narcotics. You would agree with 442:9 that. I mean, that's just logic.	NH02.174
442:11 - 442:14	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b> 442:11 QUESTIONS BY MR. PAPANTONIO: 442:12 Q. True? 442:13 A. 400 people can't consume that 442:14 many pills.	NH02.175
443:1 - 443:5	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b> 443:1 Q. Okay. So Judy's Pharmacy is 443:2 selling more -- they're getting in all these 443:3 pills, but the population -- if the 443:4 population can't cover the pills, then the 443:5 excess has to go somewhere, correct?	NH02.176
443:7 - 443:14	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b> 443:7 QUESTIONS BY MR. PAPANTONIO: 443:8 Q. I mean, you'd agree with that, 443:9 wouldn't you? 443:10 A. Correct. 443:11 Q. Okay. And one place it goes in 443:12 diversion is it goes to pill mills, right? 443:13 Goes to pill mills; that's one place? 443:14 A. It can.	NH02.177
446:7 - 446:9	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b> 446:7 MS. MOORE: McKesson-Hartle 76. 446:8 (McKesson-Hartle Exhibit 76 446:9 marked for identification.)	NH02.178
446:10 - 447:9	<b>Hartle, Nathan 08-01-2018 (00:00:59)</b> 446:10 QUESTIONS BY MR. PAPANTONIO: 446:11 Q. Okay. So if we go through this 446:12 document, this is written Congress -- this is 446:13 Congress of the United States and -- it's 446:14 Congress of the United States, and it's 446:15 written to Mr. Hambergren. 446:16 Do you see that? 446:17 A. Yes.	NH02.254

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	<p>446:18 Q. And Mr. Hambergren is the          446:19 president of the company. He's president and          446:20 chief executive officer of your company,          446:21 McKesson, and has been all the time you've          446:22 worked there, correct?</p> <p>446:23 A. Correct.</p> <p>446:24 Q. All right. So the first          446:25 paragraph -- let's look at that first          447:1 paragraph. It says, "Pursuant to the Rules X          447:2 and XI of the US House of Representatives,          447:3 the committee is continuing to investigate          447:4 the opioid epidemic in the US that is taking          447:5 115 lives a day."</p> <p>447:6 You've known that that's a          447:7 figure that's been thrown around there for a          447:8 long time, and that is 115 people die every          447:9 day because of the opioid crisis, correct?</p>	
447:11 - 448:3	<p><b>Hartle, Nathan 08-01-2018 (00:00:36)</b></p> <p>447:11 THE WITNESS: I've seen those          447:12 type of figures, yeah.</p> <p>447:13 QUESTIONS BY MR. PAPANTONIO:</p> <p>447:14 Q. And then it says, "As part of          447:15 our investigation, the committee wrote to          447:16 you" -- he's talking to Mr. Hambergren -- "on          447:17 May 8, 2017, regarding your distribution          447:18 practices generally, and in particular with          447:19 West Virginia -- with respect to West          447:20 Virginia. As we mentioned in that letter,          447:21 the opioid epidemic has been particularly          447:22 devastating to West Virginia."</p> <p>447:23 Now, you knew that when you          447:24 came to work with this company, that West          447:25 Virginia -- not just West Virginia but other          448:1 parts of this country were devastated by an          448:2 overabundance, a glut, of opioids.</p> <p>448:3 You know that, right?</p>	NH02.179
448:5 - 448:7	<p><b>Hartle, Nathan 08-01-2018 (00:00:03)</b></p> <p>448:5 THE WITNESS: I knew certain          448:6 parts of the country, sure, were          448:7 impacted by the epidemic.</p>	NH02.180

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450:20 - 451:16	<p><b>Hartle, Nathan 08-01-2018 (00:00:57)</b></p> <p>450:20 QUESTIONS BY MR. PAPANTONIO:</p> <p>450:21 Q. Okay. Fair enough.</p> <p>450:22 You see it says -- page 2 --</p> <p>450:23 page 2. Go to page 2, please.</p> <p>450:24 It says, "Sav-Rite No. 1,</p> <p>450:25 Kermit, West Virginia."</p> <p>451:1 That's a store that you sold</p> <p>451:2 pharmaceuticals -- that McKesson sold</p> <p>451:3 narcotics to, correct?</p> <p>451:4 A. Correct. I said correct.</p> <p>451:5 Q. I'm sorry, I didn't hear.</p> <p>451:6 It said, "In December of 2016,</p> <p>451:7 the Charleston Gazette reported that the</p> <p>451:8 Sav-Rite Pharmacy located in Kermit, West</p> <p>451:9 Virginia, was among the top purchasers of</p> <p>451:10 hydrocodone in West Virginia between 2007 and</p> <p>451:11 2012. According to US Census data, the town</p> <p>451:12 of Kermit had a population of 406 individuals</p> <p>451:13 in 2010."</p> <p>451:14 I used the 400. You remember</p> <p>451:15 using 406 as the population in Kermit?</p> <p>451:16 A. I do.</p>	NH02.181
452:13 - 453:6	<p><b>Hartle, Nathan 08-01-2018 (00:01:03)</b></p> <p>452:13 QUESTIONS BY MR. PAPANTONIO:</p> <p>452:14 Q. Okay. It says, "According to</p> <p>452:15 the DEA, automation of reports and</p> <p>452:16 consolidation orders, data obtained by the</p> <p>452:17 committee, in 2006 McKesson shipped 2,211,630</p> <p>452:18 hydrocodone pills and 78,500 oxycodone to</p> <p>452:19 Strosnider Pharmacy, a/k/a Sav-Rite Pharmacy</p> <p>452:20 No. 1."</p> <p>452:21 Do you see that?</p> <p>452:22 A. I see that.</p> <p>452:23 MR. PAPANTONIO: Underline 78</p> <p>452:24 million 500 -- 78,500 oxycodone pills.</p> <p>452:25 QUESTIONS BY MR. PAPANTONIO:</p> <p>453:1 Q. It says, "This means that in</p> <p>453:2 2006, McKesson would have shipped in an</p> <p>453:3 average of 186,303 codone [sic] pills per</p>	NH02.182

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453:8 - 453:23	<p>453:4 month, for a 6,059 hydrocodone pills per          453:5 day."</p> <p>453:6 Do you see that?</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:32)</b></p> <p>453:8 THE WITNESS: I see that.</p> <p>453:9 QUESTIONS BY MR. PAPANTONIO:</p> <p>453:10 Q. All right. Is that the first</p> <p>453:11 time you've seen those kind of numbers?</p> <p>453:12 A. No.</p> <p>453:13 Q. Oh, you'd seen that before</p> <p>453:14 today?</p> <p>453:15 A. Generally these numbers, yeah.</p> <p>453:16 Q. Okay. And it says -- it says,</p> <p>453:17 the bottom line in that paragraph, "Applying</p> <p>453:18 the DEA data, it can be determined that</p> <p>453:19 McKesson supplied 76 percent of the Sav-Rite</p> <p>453:20 Pharmacy No. 1 hydrocodone pills that year."</p> <p>453:21 When was the first time you saw</p> <p>453:22 this document?</p> <p>453:23 A. I can't recall.</p>	NH02.183
454:3 - 454:7	<p><b>Hartle, Nathan 08-01-2018 (00:00:07)</b></p> <p>454:3 QUESTIONS BY MR. PAPANTONIO:</p> <p>454:4 Q. By the time you got done, they</p> <p>454:5 already had an increased rate of addiction,</p> <p>454:6 an increased rate of death in Kermit.</p> <p>454:7 A. Yeah.</p>	NH02.184
454:13 - 455:1	<p><b>Hartle, Nathan 08-01-2018 (00:00:49)</b></p> <p>454:13 Now the next paragraph it says,</p> <p>454:14 "The ARCOS data further shows that in the</p> <p>454:15 following year, 2007, McKesson shipped</p> <p>454:16 2,624,680 hydrocodone pills and 40,900</p> <p>454:17 oxycodone pills to Sav-Rite Pharmacy No. 1.</p> <p>454:18 This is equivalent to an average of 218,723</p> <p>454:19 hydrocodone pills per month, or 7,191</p> <p>454:20 hydrocodone pills per day."</p> <p>454:21 Now, sir, if that was shipped</p> <p>454:22 into Kermit, those are startling numbers,</p> <p>454:23 aren't they? I mean, look, just common</p> <p>454:24 sense, those are startling numbers. And I'm</p> <p>454:25 not saying you did that, but those are</p>	NH02.185

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455:3 - 455:25	<p>455:1 startling numbers, aren't they?</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:38)</b></p> <p>455:3 QUESTIONS BY MR. PAPANTONIO:</p> <p>455:4 Q. To a population of 406 people?</p> <p>455:5 A. Again, those are large numbers,</p> <p>455:6 but again I would -- you know, the context of</p> <p>455:7 the prescribing area and the population that</p> <p>455:8 that pharmacy may serve could change those a</p> <p>455:9 little bit. Doesn't mean it's not -- they're</p> <p>455:10 not still large numbers.</p> <p>455:11 Q. Well, you know the DEA</p> <p>455:12 evaluated that, and we'll talk about that in</p> <p>455:13 a moment. They looked around to see how does</p> <p>455:14 Kermit compare to other parts of West</p> <p>455:15 Virginia.</p> <p>455:16 You know that, right? Correct?</p> <p>455:17 A. I think so.</p> <p>455:18 Q. Okay.</p> <p>455:19 A. You'll have to refresh my</p> <p>455:20 memory on that.</p> <p>455:21 Q. So in other words, the idea of</p> <p>455:22 saying, well, there were just more hospitals</p> <p>455:23 around Kermit or more pharmacies, that</p> <p>455:24 doesn't get that many pills into Kermit, does</p> <p>455:25 it?</p>	NH02.186
456:2 - 456:2	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.187
456:2 - 456:2	456:2 THE WITNESS: I understand.	
457:1 - 457:4	<p><b>Hartle, Nathan 08-01-2018 (00:00:07)</b></p> <p>457:1 Q. And one place that</p> <p>457:2 the glut goes is it's diverted to other parts</p> <p>457:3 of that area. You would agree with that,</p> <p>457:4 right?</p>	NH02.188
457:6 - 457:8	<p><b>Hartle, Nathan 08-01-2018 (00:00:01)</b></p> <p>457:6 QUESTIONS BY MR. PAPANTONIO:</p> <p>457:7 Q. We know that for a fact?</p> <p>457:8 A. It can be, yes.</p>	NH02.189
465:17 - 465:25	<p><b>Hartle, Nathan 08-01-2018 (00:00:19)</b></p> <p>465:17 Q. Yeah. It says, "They knew that</p> <p>465:18 Sav-Rite was a pill mill." Sav-Rite was a</p> <p>465:19 pill mill.</p>	NH02.190

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	465:20 What is a pill mill in your 465:21 definition of a pill mill? 465:22 A. I mean, you could describe them 465:23 in many ways, but diverting drugs, you know, 465:24 not dispensing for legitimate medical 465:25 reasons.	
466:11 - 466:16	<b>Hartle, Nathan 08-01-2018 (00:00:21)</b> 466:11 Q. Okay. It says, "Press reports 466:12 describe a stampede of customers frequenting 466:13 the pharmacy, so many that the town had to 466:14 hire an extra police officer to handle a 466:15 spike in crime, extra crews to clean up the 466:16 mess that the clientele left behind."	NH02.191
467:9 - 467:11	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b> 467:9 QUESTIONS BY MR. PAPANTONIO: 467:10 Q. Do you have a good reason for 467:11 that, why taxpayers should foot that bill?	NH02.192
467:13 - 467:14	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 467:13 THE WITNESS: I don't have a 467:14 good reason.	NH02.193
468:21 - 469:3	<b>Hartle, Nathan 08-01-2018 (00:00:12)</b> 468:21 QUESTIONS BY MR. PAPANTONIO: 468:22 Q. So my question is: If you're 468:23 making billion -- if you're making money, why 468:24 should taxpayers have to pay for cleaning up 468:25 the mess that was left behind while you were 469:1 making that money? 469:2 You don't feel like that's 469:3 fair, do you?	NH02.194
469:5 - 469:8	<b>Hartle, Nathan 08-01-2018 (00:00:07)</b> 469:5 QUESTIONS BY MR. PAPANTONIO: 469:6 Q. That's not fair, is it? 469:7 A. I don't have a response for 469:8 you.	NH02.195
469:14 - 469:19	<b>Hartle, Nathan 08-01-2018 (00:00:21)</b> 469:14 It doesn't seem fair that taxpayers should 469:15 have to foot the bill for EMTs, for police, 469:16 for hospital care, for court costs that might 469:17 be attributed to a glut of pills being 469:18 shipped into an area like this by McKesson.	NH02.196

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469:21 - 470:2	<p>469:19 That's just not fair, is it?</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:08)</b></p> <p>469:21 THE WITNESS: I think logically</p> <p>469:22 it doesn't seem fair, but --</p> <p>469:23 QUESTIONS BY MR. PAPANTONIO:</p> <p>469:24 Q. That's all --</p> <p>469:25 A. -- but there's many -- there's</p> <p>470:1 many involved in the -- you know, in the</p> <p>470:2 entire system.</p>	NH02.197
471:5 - 472:6	<p><b>Hartle, Nathan 08-01-2018 (00:01:01)</b></p> <p>471:5 Q. I'm on the same page.</p> <p>471:6 It says, "According to DEA</p> <p>471:7 data, McKesson supplied a pharmacy in Mount</p> <p>471:8 Gay-Shamrock, West Virginia, with more than</p> <p>471:9 six times the amount of hydrocodone that an</p> <p>471:10 average pharmacy in rural West Virginia would</p> <p>471:11 have been expected to receive."</p> <p>471:12 Do you see that?</p> <p>471:13 A. I'm sorry, I was on the</p> <p>471:14 previous page. Let me read that real quick.</p> <p>471:15 Q. "According to DEA data." Yeah.</p> <p>471:16 Yeah.</p> <p>471:17 "According to the DEA data,</p> <p>471:18 McKesson supplied a pharmacy in Mount</p> <p>471:19 Gay-Shamrock, West Virginia, with more than</p> <p>471:20 six times the amount of hydrocodone" --</p> <p>471:21 It's talking about McKesson</p> <p>471:22 here, right?</p> <p>471:23 A. I see that.</p> <p>471:24 Q. Okay.</p> <p>471:25 -- "more than six times the</p> <p>472:1 amount of the hydrocodone that an average</p> <p>472:2 pharmacy in rural West Virginia would have</p> <p>472:3 been expected to receive."</p> <p>472:4 I read that.</p> <p>472:5 Then it goes on to say,</p> <p>472:6 "DEA" --</p>	NH02.198
472:10 - 472:22	<p><b>Hartle, Nathan 08-01-2018 (00:00:46)</b></p> <p>472:10 QUESTIONS BY MR. PAPANTONIO:</p> <p>472:11 Q. "DEA ARCOS data showed that</p>	NH02.199

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	472:12 between 2006 and 2014, McKesson supplied 472:13 Family Discount Pharmacy in Mount Shamrock 472:14 [sic] with 5,122,290 [sic] hydrocodone 472:15 pills" -- you see that? -- "and 695,000 472:16 oxycodone pills, for a total of 5,818,020 472:17 pills." 472:18 Do you know what the -- do you 472:19 know what the population of that place was? 472:20 If I told you it was 1,700, 472:21 would you be surprised? Population of 1,700 472:22 people, would that surprise you?	
472:24 - 473:1	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.200
	472:24 THE WITNESS: It would surprise 472:25 me. I don't know what the number is, 473:1 but...	
478:12 - 478:13	<b>Hartle, Nathan 08-01-2018 (00:00:01)</b>	NH02.201
	478:12 MS. MOORE: McKesson-Hartle 478:13 101.	
478:17 - 479:8	<b>Hartle, Nathan 08-01-2018 (00:00:38)</b>	NH02.202
	478:17 Q. Had anybody ever told you that 478:18 the problem was so bad all the way back in 478:19 2011 -- this is the Charleston Gazette-Mail. 478:20 And, sir, this is actually -- had you seen 478:21 see this article before? This the 478:22 Gazette-Mail talking about the very area 478:23 we've been talking about. 478:24 A. I'm not sure. 478:25 Q. Okay. Well, just for the 479:1 record, I want to point out that as we go 479:2 forward, this is a document -- this is a 479:3 newspaper article that is actually attached 479:4 to the Congressional record. 479:5 A. Okay. 479:6 Q. This came out of the hearings 479:7 of the Congressional record. 479:8 A. Okay.	
479:21 - 481:7	<b>Hartle, Nathan 08-01-2018 (00:01:21)</b>	NH02.203
	479:21 Q. And it says -- I have it 479:22 right -- it says, "A couple of blocks away, 479:23 people lined up before 6 a.m. to visit	

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	<p>479:24 another doctor's -- another clinic's doctor.</p> <p>479:25 The community was frustrated. They called it</p> <p>480:1 Williamson instead of Williamson, said Mingo</p> <p>480:2 County prosecuting attorney Michael Sparks.</p> <p>480:3 It was an open secret, you might say, federal</p> <p>480:4 and state authorities are handling an ongoing</p> <p>480:5 investigation of the clinics, but Sparks says</p> <p>480:6 prescription drug abuse causes most of the</p> <p>480:7 local crimes he prosecutes - robberies,</p> <p>480:8 assaults, forgery."</p> <p>480:9 Do you see that?</p> <p>480:10 "Even though the clinics are</p> <p>480:11 now shuttered, substance abuse still plagues</p> <p>480:12 the area. People can still find pills."</p> <p>480:13 Do you see that?</p> <p>480:14 A. I do.</p> <p>480:15 Q. Now, you understand the</p> <p>480:16 other -- the other part of this. You</p> <p>480:17 understand once opioids -- once people are</p> <p>480:18 addicted to opioids, narcotic opioids, their</p> <p>480:19 chances of them moving to heroin are</p> <p>480:20 dramatically increased.</p> <p>480:21 You've heard that before,</p> <p>480:22 right?</p> <p>480:23 A. I have.</p> <p>480:24 Q. I think you've actually --</p> <p>480:25 A. It's in my presentations.</p> <p>481:1 Q. It's in your presentation.</p> <p>481:2 You've talked to people about it.</p> <p>481:3 When you were trying to warn</p> <p>481:4 other people about this issue, this is</p> <p>481:5 something you raised, that the natural</p> <p>481:6 progression goes from opioids to heroin,</p> <p>481:7 true?</p>	
481:10 - 481:12	<b>Hartle, Nathan 08-01-2018 (00:00:03)</b>	NH02.204
	<p>481:10 Q. You know that?</p> <p>481:11 A. I've shared some of those data</p> <p>481:12 points about the -- you know.</p>	
20:1 - 22:5	<b>Hartle, Nathan 08-01-2018 (00:01:32)</b>	NH02.205
	20:1 Okay. So -- and we'll look at	

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20:2 that in just a minute. But you have		
20:3 underneath you some direct reports, including		
20:4 Micheal Bishop.		
20:5 Do you know who Micheal Bishop		
20:6 is?		
20:7 A. I do.		
20:8 Q. Okay. Michael Oriente. Do you		
20:9 know who that is?		
20:10 A. I do.		
20:11 Q. Okay. Jay Espaillat?		
20:12 A. Espaillat.		
20:13 Q. Espaillat.		
20:14 And then Adam Palmer, who		
20:15 reports to Michael Oriente.		
20:16 Do you see that?		
20:17 A. I do.		
20:18 Q. And then Jennifer Sheffield,		
20:19 the regulatory affairs admin?		
20:20 A. Yeah.		
20:21 Q. Okay. And that was your team,		
20:22 right?		
20:23 A. Was, yeah. It's changed over		
20:24 time.		
20:25 Q. Okay. It's changed. In		
21:1 fact -- yeah. Okay.		
21:2 So if we go now to point --		
21:3 well, how long was that your team? How long		
21:4 did you have -- in particular looking at the		
21:5 director of regulatory affairs, Michael		
21:6 Oriente, and Micheal Bishop, the regulatory		
21:7 affairs manager, how long were they with you?		
21:8 A. So it's evolved. When I --		
21:9 Michael joined the team -- Michael, Adam		
21:10 Palmer -- well, two Michaels and Adam Palmer		
21:11 joined the team in 2014. Jay was added -- I		
21:12 can't remember the exact time frame, but		
21:13 right around in 2015. He supports some work		
21:14 I do for the entire regulatory affairs team		
21:15 focused on threshold methodology and some		
21:16 advancements we made.		

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21:17 - 21:25	Q. Okay. All right. My specific question is how long they've been with you. A. How long -- Q. How long were they on your team? A. Michael's been on the team since 2014. Adam's been 2014. Jay's been 2015.	
21:25 - 22:5	Q. Okay. A. Micheal Bishop is no longer here. We've had some adjustments. Q. But he was with you until 2018, correct? A. Yes.	
24:14 - 24:19	<b>Hartle, Nathan 08-01-2018 (00:00:09)</b> Q. You got Lisa Young as the senior director for the west region, right? A. Correct. Q. And then Gary Boggs is the senior director for the east region, right? A. Correct.	NH02.206
25:24 - 26:9	<b>Hartle, Nathan 08-01-2018 (00:00:21)</b> Q. So tell me, how much of the business in terms of US pharma compared to the -- because there's another category of stores called the -- I believe you refer to them as ISMCs; is that right? A. Correct. Q. Okay. And that is the independent small medium chains? A. Correct. Q. Is that what that stands for? A. That's what it stands for, yes.	NH02.207
36:20 - 36:22	<b>Hartle, Nathan 08-01-2018 (00:00:08)</b> Q. And in fact, opioid abuse and addiction is a gateway to heroin use and addiction, correct?	NH02.208
36:24 - 37:2	<b>Hartle, Nathan 08-01-2018 (00:00:05)</b> THE WITNESS: I'm not a medical expert, but, you know, I've read	NH02.209

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55:11 - 55:14	37:1 things, I use data from different 37:2 sources, and they say that. <b>Hartle, Nathan 08-01-2018 (00:00:07)</b>	NH02.210
77:6 - 77:8	55:11 Q. Okay. 55:12 A. That can be, but not all 55:13 suspicious orders per the regulations are 55:14 diversion, diverted. <b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.211
136:10 - 136:23	77:6 Q. Okay. 77:7 A. Or it can and -- it can. 77:8 Q. Right. <b>Hartle, Nathan 08-01-2018 (00:00:30)</b>	NH02.212
136:25 - 137:7	136:10 Q. Okay. 136:11 A. They can convert things to 136:12 doses, convert things to base codes. It's 136:13 not just a report they run. 136:14 Q. All right. "Threshold warning, 136:15 Section 2.1. When a customer that has 136:16 reached the threshold warning has been 136:17 detected, the director of regulatory affairs 136:18 will notify DC management and sales." 136:19 Do you see that? 136:20 A. I see that. 136:21 Q. Now, you would agree with me 136:22 that sales shouldn't be playing any part in 136:23 regulatory decisions, right? <b>Hartle, Nathan 08-01-2018 (00:00:11)</b>	NH02.213
137:9 - 137:13	136:25 THE WITNESS: They don't play 137:1 any part of regulatory decisions. We 137:2 make the decisions. 137:3 QUESTIONS BY MR. RAFFERTY: 137:4 Q. Okay. I didn't ask you that. 137:5 You would agree with me that 137:6 they shouldn't be involved in making 137:7 regulatory decisions, right? <b>Hartle, Nathan 08-01-2018 (00:00:06)</b>	NH02.214

137:9 THE WITNESS: The decision, no.  
137:10 QUESTIONS BY MR. RAFFERTY:  
137:11 Q. Okay.  
137:12 A. Gathering information for the

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138:18 - 138:22	137:13 context of the request, yes. <b>Hartle, Nathan 08-01-2018 (00:00:11)</b>	NH02.215
	138:18 Q. The very people that 138:19 stand to profit from it are the ones talking 138:20 with the customer to see whether or not they 138:21 should make a threshold change request and 138:22 get that order shipped, right?	
138:24 - 139:4	<b>Hartle, Nathan 08-01-2018 (00:00:11)</b>	NH02.255
	138:24 THE WITNESS: Those in sales 138:25 that are incentivized based on sales 139:1 are the ones that are part of the 139:2 intake. I do know we have restricted 139:3 and blocked incentives around 139:4 controlled substances.	
145:7 - 145:9	<b>Hartle, Nathan 08-01-2018 (00:00:04)</b>	NH02.216
	145:7 Q. But you agree that 145:8 that's what the decision should be based on, 145:9 is direct evidence?	
145:11 - 145:17	<b>Hartle, Nathan 08-01-2018 (00:00:15)</b>	NH02.217
	145:11 THE WITNESS: And -- and the 145:12 interpretation and collection of 145:13 information and context, yes. 145:14 QUESTIONS BY MR. RAFFERTY: 145:15 Q. That direct evidence should be 145:16 valid business decisions, right? That's part 145:17 of it?	
145:19 - 145:20	<b>Hartle, Nathan 08-01-2018 (00:00:02)</b>	NH02.218
	145:19 THE WITNESS: It's one of the 145:20 pieces of information, yeah.	
199:11 - 199:15	<b>Hartle, Nathan 08-01-2018 (00:00:05)</b>	NH02.219
	199:11 Q. You're not rounding down. That 199:12 was my question. 199:13 A. That's -- we're not rounding 199:14 down. 199:15 Q. Right.	
199:23 - 200:8	<b>Hartle, Nathan 08-01-2018 (00:00:25)</b>	NH02.220
	199:23 Q. Go ahead. 199:24 A. I don't recall every single 199:25 detail associated with these, as they've 200:1 been -- they were a few months after I joined	

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	200:2 the team. The intent is to allow a customer 200:3 in -- to purchase, to meet that legitimate 200:4 dispensing. And there are reasons why there 200:5 are buffers on top of a dispensing amount, 200:6 even a purchasing amount, because there is 200:7 significant variation in purchasing patterns 200:8 at times.	
204:18 - 205:2	<b>Hartle, Nathan 08-01-2018 (00:00:16)</b>	NH02.221
	204:18 Q. And then it says and it goes 204:19 on, "If the current ones are still within 204:20 normal level, with thresholds barely above 204:21 the average and sometimes lower than the max, 204:22 this may cause issues like unnecessary 204:23 omits," right? 204:24 A. Uh-huh. 204:25 Q. So what you're saying is, let's 205:1 use a different calculation than what was 205:2 being proposed, right?	
206:24 - 207:4	<b>Hartle, Nathan 08-01-2018 (00:00:11)</b>	NH02.222
	206:24 Q. Okay. 206:25 A. I would again contend I don't 207:1 know all the details or recall every single 207:2 detail, but the idea is to allow for 207:3 legitimate dispensing and normal variations 207:4 in purchasing, so --	
224:10 - 225:1	<b>Hartle, Nathan 08-01-2018 (00:00:27)</b>	NH02.223
	224:10 Q. And then if you go up, 224:11 he says here, "I recommend" -- "I commented 224:12 that this was part of an effort to take out 224:13 the 25 percent buffer that was put in place a 224:14 few years ago but wasn't sure how to respond 224:15 to their question about impact." 224:16 Do you see that? 224:17 A. I see that. I think that -- 224:18 that 25 percent buffer is not related to our 224:19 buffers. That's related to -- 224:20 Q. No, I understand. 224:21 A. -- the DEA quota, buffer, 224:22 right. 224:23 Q. Right.	

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227:1 - 227:4	224:24 As to how much raw product can 224:25 be provided to the manufacturers, correct? 225:1 A. Correct. <b>Hartle, Nathan 08-01-2018 (00:00:08)</b>	NH02.224
227:6 - 227:15	227:1 Q. And so within two weeks you're 227:2 comforting your clients and saying, as far as 227:3 thresholds -- our thresholds are concerned, 227:4 it's business as usual, right? <b>Hartle, Nathan 08-01-2018 (00:00:24)</b>	NH02.225
438:10 - 438:23	227:6 THE WITNESS: The context of 227:7 this is that -- the "business as 227:8 usual" meaning the thresholds have 227:9 been established for those customers, 227:10 they're set in a way that allows them 227:11 to meet their dispensing, and we don't 227:12 believe that there's going to be an 227:13 impact to those. And if they -- they 227:14 have a reason to request an increase, 227:15 that we'd follow the normal process. <b>Hartle, Nathan 08-01-2018 (00:00:37)</b>	NH02.226
438:25 - 439:5	438:10 Q. Well, here's what I'm getting 438:11 at. Here's really what I'm trying to get to, 438:12 okay? 438:13 Let's go back to this. Let's 438:14 go back to Kermit. If you got a town like 438:15 Kermit -- and in a minute -- you don't have 438:16 to take my word for it; I'll show you the 438:17 actual numbers -- that Kermit had a 438:18 population of about 400 -- I think it's 406 438:19 people, okay? -- during the time that the -- 438:20 during the time that Congress actually wrote 438:21 a letter to your president, Mr. Hambergren. 438:22 Have you ever reviewed that 438:23 letter that Congress wrote to Mr. Hambergren? <b>Hartle, Nathan 08-01-2018 (00:00:08)</b>	NH02.227

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442:15 - 442:25	<p>439:5 be in that letter.</p> <p><b>Hartle, Nathan 08-01-2018 (00:00:30)</b></p> <p>442:15 Q. So let me show you this</p> <p>442:16 film again because I'm going to go from this</p> <p>442:17 film, and then we're going to talk about</p> <p>442:18 specifics about what the actual Congressional</p> <p>442:19 letter said about places like Kermit and...</p> <p>442:20 There's a family. There's</p> <p>442:21 pills coming in from Judy's Pharmacy.</p> <p>442:22 You remember us talking about</p> <p>442:23 Judy's Pharmacy earlier on? I just called it</p> <p>442:24 Judy's Pharmacy.</p> <p>442:25 A. I do remember that.</p>	NH02.228
493:17 - 493:23	<p><b>Hartle, Nathan 08-01-2018 (00:00:20)</b></p> <p>493:17 Q. Go ahead.</p> <p>493:18 A. I was going to say, and as I</p> <p>493:19 came on board, my initial focus was to get to</p> <p>493:20 know the chains, to conduct some due</p> <p>493:21 diligence, understand their programs and help</p> <p>493:22 build out and formalize, you know, the focus</p> <p>493:23 on the chains over the course of time.</p>	NH02.229
497:9 - 499:4	<p><b>Hartle, Nathan 08-01-2018 (00:01:59)</b></p> <p>497:9 Q. Tell me about the policies and</p> <p>497:10 procedures that McKesson expects chains to</p> <p>497:11 have in place.</p> <p>497:12 A. It's similar to what I shared.</p> <p>497:13 We expect there to be oversight. We expect</p> <p>497:14 there to be policies and procedures. We</p> <p>497:15 expect there to be, you know, use of data,</p> <p>497:16 you know. We get -- chains may use data.</p> <p>497:17 All of these things may -- they may do in</p> <p>497:18 slightly different ways, but the general</p> <p>497:19 expectation is to have oversight, to have</p> <p>497:20 policies and procedures, to have data to</p> <p>497:21 review. And before a threshold change</p> <p>497:22 request even comes to us, before we make our</p> <p>497:23 own independent decision, to have a process</p> <p>497:24 on their side to review them and do research.</p> <p>497:25 So those are the types of</p> <p>498:1 expectations we have of chains.</p>	NH02.230

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	<p>498:2 Q. And you mentioned McKesson          498:3 making an independent decision about          498:4 threshold changes related to chains.          498:5 Could you describe that process          498:6 and what's involved?          498:7 A. Yeah. The way that threshold          498:8 requests work as part of our program today is          498:9 that a chain has their own process and          498:10 identifies a need or a request to come to us,          498:11 and they provide us the business          498:12 justification, they provide us dispensing          498:13 data.          498:14 And we have a complete separate          498:15 review, very consistent with what my peers do          498:16 on the independent side. We review the          498:17 business justification. We review the          498:18 purchasing data. We look at analytics          498:19 involved with purchasing data. We look at          498:20 dispensing. We do all of those types of          498:21 things, and we make our own separate          498:22 decision. And that means we don't always          498:23 approve every threshold. We don't always          498:24 approve it for the same amount. We cancel          498:25 some, we deny some, consistent with what          499:1 works on the ISMC decide.          499:2 So we view our decision, and          499:3 the chains know we are there to make our own          499:4 regulatory decision.</p>	
499:5 - 500:12	<p><b>Hartle, Nathan 08-01-2018 (00:01:31)</b></p> <p>499:5 Q. And we've talked about the          499:6 review that takes place surrounding threshold          499:7 change requests.          499:8 Are there also occasions when          499:9 McKesson may reach out to a chain about data          499:10 that it sees?          499:11 A. There are.          499:12 One of the other elements or          499:13 components of our general CSMP as a          499:14 regulatory affairs group is to do proactive          499:15 reviews, and at times we will -- we will</p>	NH02.231

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	499:16 identify locations that we want to learn more 499:17 about. We may see something in the data. It 499:18 may just be the top dispensing location for a 499:19 chain, it may be related to a particular base 499:20 code, it may be related to something. But we 499:21 will reach out proactively to the chain 499:22 teams, and we expect -- our expectation is 499:23 that we learn why that might be different. 499:24 And many times the chains will 499:25 be able to explain to us why -- why, you 500:1 know, they're different or they may look 500:2 different. They may be associated with 500:3 long-term care or something like that. But 500:4 we reach out to them. 500:5 At times we've also learned 500:6 that chains have benefitted from that 500:7 information in terms of the shutting off a 500:8 doctor or a prescriber or going in to 500:9 re-review policies with the teams. And so 500:10 they oftentimes, you know, take our word and 500:11 go out and establish action plans on their 500:12 side of the business.	
198:19 - 199:4	<b>Hartle, Nathan 08-01-2018 (00:00:16)</b>	NH02.232
	198:19 Q. No. You round it up because 198:20 that increases the threshold, and that 198:21 reduces the risk that they're going to bump 198:22 up against the threshold and reduce the 198:23 chance that you're going to have to actually 198:24 conduct an investigation on somebody as 198:25 valuable of a customer such as Rite Aid, 199:1 right? 199:2 You're jacking the thresholds 199:3 up as high as you can; isn't that what you're 199:4 doing?	
199:6 - 199:6	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.233
207:5 - 207:8	199:6 THE WITNESS: No. <b>Hartle, Nathan 08-01-2018 (00:00:09)</b> 207:5 Q. That's not what the US Attorney 207:6 in Colorado put in the allegations against 207:7 your company, was it? That's not -- that	NH02.234

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207:10 - 207:17	207:8 wasn't -- that wasn't the allegation, was it? <b>Hartle, Nathan 08-01-2018 (00:00:13)</b>	NH02.235
	207:10 THE WITNESS: No. That's not 207:11 the language in there, no. 207:12 QUESTIONS BY MR. RAFFERTY: 207:13 Q. And in fact, that Aurora 207:14 conduct in that particular letter was part of 207:15 the 2017 settlement that resulted in the 207:16 \$150 million fine that McKesson paid, 207:17 correct?	
207:19 - 207:25	<b>Hartle, Nathan 08-01-2018 (00:00:08)</b> 207:19 THE WITNESS: It was one of the 207:20 allegations that led to the ultimate 207:21 settlement. 207:22 QUESTIONS BY MR. RAFFERTY: 207:23 Q. Right. 207:24 That you -- that McKesson 207:25 accepted responsibility for, correct?	NH02.236
208:2 - 208:2	<b>Hartle, Nathan 08-01-2018 (00:00:00)</b>	NH02.237
501:15 - 501:24	208:2 THE WITNESS: Correct. <b>Hartle, Nathan 08-01-2018 (00:00:26)</b> 501:15 Q. All right. From 2008, you'll 501:16 agree with me, though, that your company, 501:17 McKesson, made an awful lot of mistakes that 501:18 fed and created the opioid epidemic for many, 501:19 many years, correct? 501:20 If we went through all of those 501:21 today, it resulted in two settlements in 2008 501:22 and one in 2017, based on numerous, numerous 501:23 failures to provide suspicious order reports, 501:24 correct?	NH02.238
502:1 - 502:4	<b>Hartle, Nathan 08-01-2018 (00:00:04)</b> 502:1 THE WITNESS: Similar to what's 502:2 in the most recent settlement, we 502:3 acknowledged, you know, certain 502:4 things.	NH02.239
504:8 - 504:12	<b>Hartle, Nathan 08-01-2018 (00:00:12)</b> 504:8 Q. Well, when you say you're not 504:9 perfect, I mean, for many years, many, many 504:10 years, that we went through with the failure	NH02.240

## NH02-CT2\_Nathan Hartle Fact

Page/Line	Source	ID
504:14 - 504:15	504:11 to report suspicious orders, it was far from 504:12 being perfect, wasn't it? Wasn't even close? <b>Hartle, Nathan 08-01-2018 (00:00:01)</b> 504:14 THE WITNESS: I understand 504:15 there was some shortcomings, sure.	NH02.241

Plaintiffs Affirmative Designations = 01:12:22

Defense Counter Designations = 00:03:51

Defense Completeness Counters = 00:07:23

Our Counter Counters = 00:01:36

**Total Time = 01:25:12**